



<b>Volume No. 3— Automated System Applications</b>	<b>TOPIC NO. 70605-LAS Plus</b>
<b>Function No. 70600—LAS Plus Online</b>	<b>TOPIC Data Entry</b>
	<b>DATE June 2023</b>

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## Overview

### Introduction

The purpose of this topic is to provide instructions and procedures necessary to complete the data entry for the Lease Accounting System (LAS Plus). LAS Plus is compliant with **GASB Statement No. 87, Leases** and **GASB Statement No. 96, Subscription-Based Information Technology Arrangements**.

The procedures section of this topic provides detailed information for the lease input and payment stream input screens from LAS Plus.

Appendix A contains forms that replicate the lease input and the payment stream input screens from LAS Plus. The use of these forms is optional and may be used at the sole discretion of each LAS Plus user to aid in the data entry and documentation of each new lease recorded in LAS Plus. These optional forms allow agency personnel the opportunity to gather the necessary information for a new lease before entering lease information in the system. These forms may serve as part of an agency's internal control.

Agency personnel may test a potential lease in LAS Plus using Agency No. 99.

The user ID for this agency is 99test.


Please contact [LAS@doa.virginia.gov](mailto:LAS@doa.virginia.gov) if you need access to the test agency.

Please use **Agency No. 99** as the lease testing agency to prevent test leases from erroneously being reported in the agency's actual reports.

## Policy

### Lease Policy

Each agency is responsible for ensuring that lease information for all new leases and remeasurements are input into LAS Plus. As LAS Plus is a real-time, online system, users may input lease information directly into the system without using the optional input documents contained in Appendix A. Should agency management decide to input leases directly in the system, it is recommended that users print the screens applicable to the newly entered lease for management's approval and record keeping. Agencies have 30 days from the inception of the lease (first lease payment) to input the lease information into the LAS Plus except at year end when all leases with payments beginning during the month of June or earlier in the fiscal year must be entered on or before the LAS Plus fiscal year-end system close date.

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## Procedures

### Lease Input and Payment System

The following pages show screen prints for the lease information input and the payment stream input screens from LAS Plus. Each screen print has a legend describing each field of reference. LAS Plus requires that the lease information input screen be completed before the payment stream(s) may be entered.

Required lease information input fields for LAS Plus are shown as white input boxes (except for the Other Description(s) and Serial Number fields which are optional). Some fields contain dropdowns and others must be manually entered. Greyed out fields are not required and may change depending on information entered into the required fields.

**If the contract contains multiple components such as building rental combined with equipment rental, each component should be entered as a separate lease.**

**All contracts should be evaluated for lease versus non-lease components as outlined in GASB Statement No. 87, paragraphs 63-68.**

Payment streams for the **entire** lease term, including any annual increases specified in the agreement or options to extend the lease (if it is “reasonably certain” that these options will be exercised) are required to be input at the beginning of the lease term.


If the contract is a five year lease, do not simply enter a single year of payments because the purchase order is limited to one year. All five years of payments must be entered. If a payment stream is input in the incorrect order, a user may move it to the correct number in the payment sequence without deleting the other payment stream amounts using the up or down arrows on the payment stream screen.

### Training Required

These procedures are meant to serve as a reinforcement to the LAS Plus online training required for obtaining a user ID and password for LAS Plus. **All users are required to take the online training and pass the online LAS Plus test to obtain access to LAS Plus.**

**These procedures are not a substitution for the required training.**

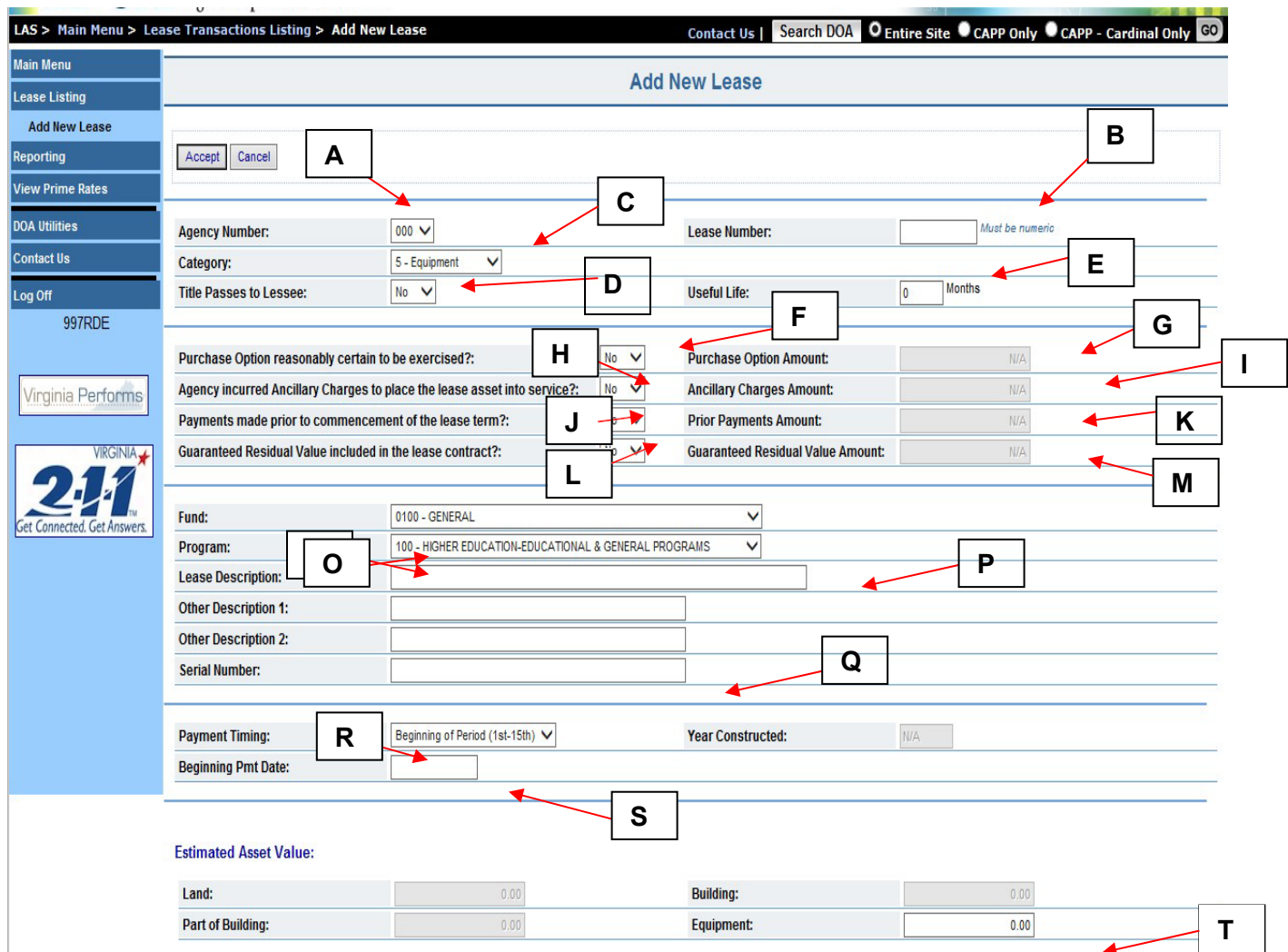
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## Procedures, Continued

### LAS Plus Input Screen

The following diagram illustrates the Lease Input Screen. The legend follows.




The screenshot shows the 'Add New Lease' screen in the LAS Plus system. The left sidebar contains navigation links: Main Menu, Lease Listing, Add New Lease (highlighted), Reporting, View Prime Rates, DOA Utilities, Contact Us, and Log Off. The top navigation bar shows 'LAS > Main Menu > Lease Transactions Listing > Add New Lease' and user information '997RDE'. The main form area is titled 'Add New Lease' and contains various input fields. Red arrows point from callout letters A through T to specific fields: A points to the 'Accept' button; B points to the 'Lease Number' field; C points to the 'Agency Number' dropdown; D points to the 'Category' dropdown; E points to the 'Useful Life' field; F points to the 'Purchase Option reasonably certain to be exercised?' checkbox; G points to the 'Purchase Option Amount' field; H points to the 'Agency incurred Ancillary Charges to place the lease asset into service?' checkbox; I points to the 'Ancillary Charges Amount' field; J points to the 'Payments made prior to commencement of the lease term?' checkbox; K points to the 'Prior Payments Amount' field; L points to the 'Guaranteed Residual Value included in the lease contract?' checkbox; M points to the 'Guaranteed Residual Value Amount' field; N points to the 'Fund' dropdown; O points to the 'Program' dropdown; P points to the 'Lease Description' field; Q points to the 'Serial Number' field; R points to the 'Payment Timing' dropdown; S points to the 'Beginning Pmt Date' field; T points to the 'Equipment' field in the 'Estimated Asset Value' section.

**Callout Letters and Fields:**

- A: Accept button
- B: Lease Number
- C: Agency Number
- D: Category
- E: Useful Life
- F: Purchase Option reasonably certain to be exercised?
- G: Purchase Option Amount
- H: Agency incurred Ancillary Charges to place the lease asset into service?
- I: Ancillary Charges Amount
- J: Payments made prior to commencement of the lease term?
- K: Prior Payments Amount
- L: Guaranteed Residual Value included in the lease contract?
- M: Guaranteed Residual Value Amount
- N: Fund
- O: Program
- P: Lease Description
- Q: Serial Number
- R: Payment Timing
- S: Beginning Pmt Date
- T: Equipment (Estimated Asset Value)

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## Procedures, Continued

### LAS Plus Input Screen Legend

- A. If you have access to multiple agencies, use the drop down box to input the appropriate agency number. If you have access to only one agency, that number will display automatically.
- B. Input the desired lease number. When adding new leases users should enter lease numbers that are lower numbers that are not currently being used to allow for future expansion of additional lease numbers.
- C. Select the asset category using the drop down box. The categories are 1. Land, 2. Land/Building, 3. Building, 4. Part of Building and 5. Equipment.
- D. Select yes or no using the drop down box to denote whether title of the asset passes to the lessee at the conclusion of the lease. If yes, this lease will be classified as a financed purchase.
- E. Enter the useful life of the lease asset in months. The useful life entered may be less than the calculated lease term. Unless there is a Financed Purchase or Purchase Option, the amortization of the lease asset will be calculated using the shorter of the useful life entered or the calculated lease term. For Financed Purchase or Purchase Option leases, the amortization will be calculated using the useful life entered.
- F. Select yes or no using the drop down box to denote whether a Purchase Option is reasonably certain to be exercised. If yes, the amount of the Purchase Option amount will be added to the last payment in the payment stream and used in the calculation of the lease liability and lease asset.
- G. Purchase Option amount. If yes in F, the user will be required to enter the Purchase Option amount in the field provided.
- H. Select yes or no using the drop down box to denote whether there were any Ancillary Charges paid to place the lease asset into service. If yes, the amount of the Ancillary Charges will be included in the calculation of the lease asset.
- I. Ancillary Charges amount. If yes in H, the user will be required to enter the Ancillary Charges amount in the field provided.
- J. Select yes or no using the drop down box to denote whether there were any Payments Made Prior to the Commencement of the Lease Term. These are payments other than Ancillary Charges that the lessee makes to the lessor prior to when the lease asset is placed in service by the lessee. If yes, the amount of these payments will be included in the calculation of the lease asset.
- K. Payments Made Prior to the Commencement of the Lease Term Amount. If yes in J, the user will be required to enter the amount of Payments Made Prior to the Commencement of the Lease in the field provided.

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## Procedures, Continued

### Additional Lease Input Fields

- L. Select yes or no using the drop down box to denote whether there were any Residual Value Guarantee Payments included in the lease agreement. If yes, the user will be required to enter the amount in M. These amounts will be evaluated by DOA and do not automatically flow to the calculated lease asset amount.
- M. Users will be required to enter the Residual Guarantee Amount if yes is selected for L.
- N. Fund-Select the fund using the dropdown from which the lease payments will be made.
- O. Program-Select the program using the dropdown where the lease asset will be used.
- P. Lease Description-Enter the lease description in the field provided. This description should be unique so that users can quickly identify this particular lease from other leases at the agency. The first lease description field also appears in the lease listing. There are two additional lease description fields that may be used as needed.
- Q. Serial Number-Enter the serial number of the lease asset in the field provided if necessary.
- R. Select the payment timing for the lease using the drop down box. Payments made the 1<sup>st</sup> through the 15<sup>th</sup> of the month are considered “beginning of period” and those made the 16<sup>th</sup> through the last day of the month are considered “end of period”. Care must be taken if the lease payments are going to be other than monthly payments when the end of period payment timing is selected. For example; if a user enters an “end of period lease” with annual payments and a beginning payment date of 12/31/XXXX, the lease actually begins on January 1st of that year.
- S. Input the date the first payment is made. The format for this field is mm/dd/yyyy.
- T. Input the Estimated Asset Value of the lease asset in the field provided at the beginning of the lease term. **Note:** There are separate fields for each lease category type. For the Land/Building lease category extra care must be taken to appropriately enter the correct amount as the system calculates prorated payment amounts based upon the amounts entered.

Hit the “Accept” button. After completing the required fields click the “Accept” menu button to add the lease. **Note:** The lease will be classified as “Incomplete” because no payment amounts have been entered on the payment screen.

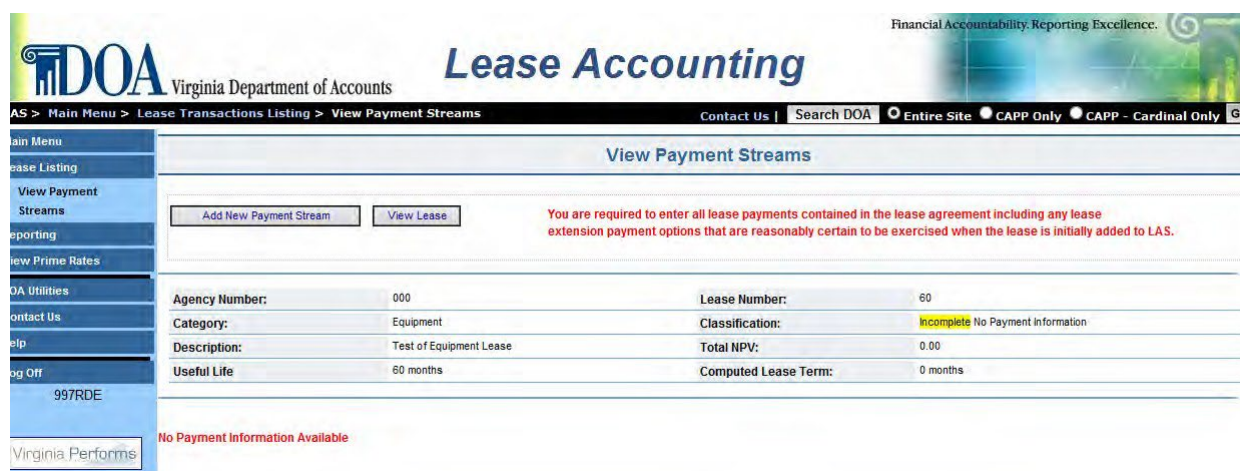
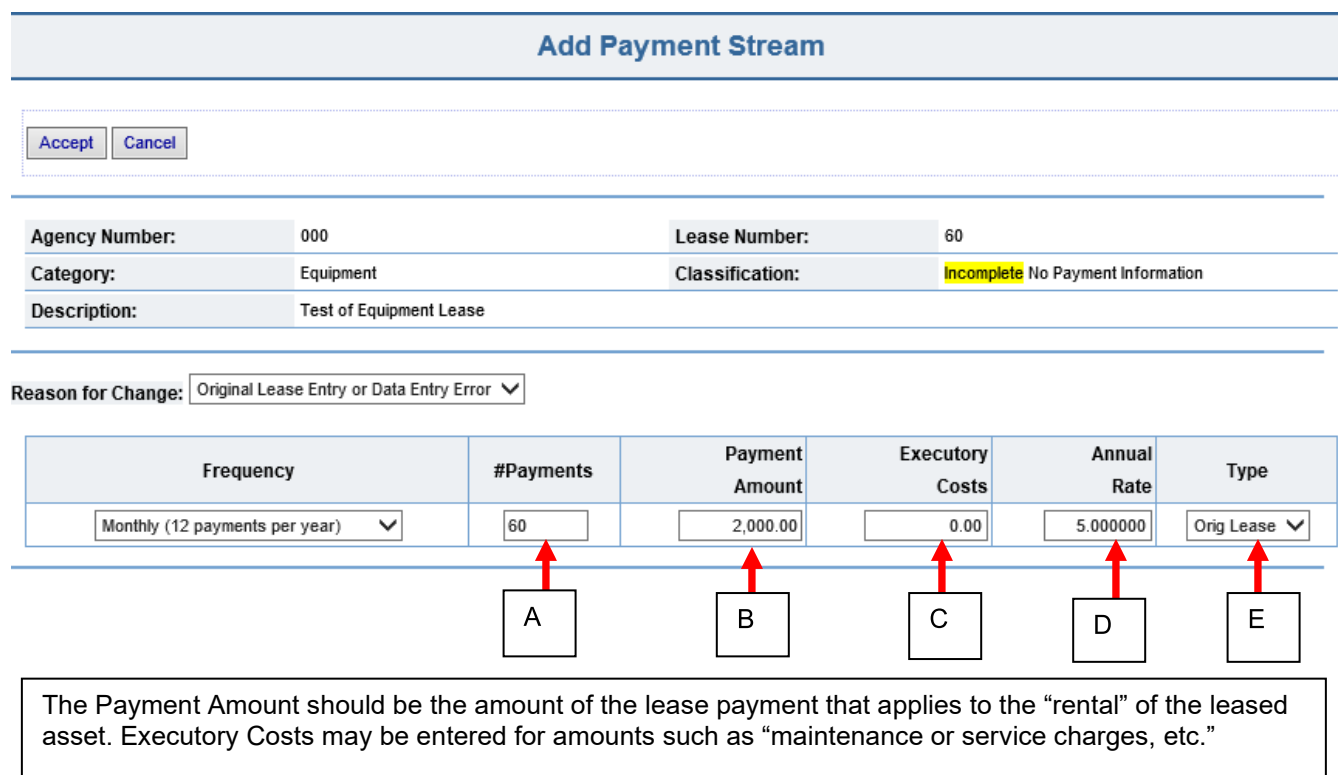
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## Procedures, Continued

### LAS Plus Payment Input Screen

The following screen illustrates the fields for the “Add Payment Screen.” The lease will remain “Incomplete” until the payment amounts have been entered. All payments for the entire lease term including extension options that are reasonably certain to be exercised should be entered at the beginning of the lease.





Frequency	#Payments	Payment Amount	Executory Costs	Annual Rate	Type
Monthly (12 payments per year) ▼	60	2,000.00	0.00	5.000000	Orig Lease ▼

A B C D E

The Payment Amount should be the amount of the lease payment that applies to the “rental” of the leased asset. Executory Costs may be entered for amounts such as “maintenance or service charges, etc.”

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## Procedures, Continued

### LAS Plus Payment Screen Legend

- A. # Payments-This is the total number of payments for the payment frequency selected as defined in the actual lease agreement. Payment frequency refers to the payment interval during the year. A frequency of monthly would be 12 payments per year. Other options include annual (one payment per year), semi-annual (2 payments per year), quarterly (4 payments per year) and three payments per year. For example, a 5 year lease that is paid monthly has 60 payments. Five years multiplied by 12 months per year. A 5 year lease that is paid quarterly has 20 payments. Five years multiplied by 4 payments per year. **LAS Plus requires you to enter all payments including extension options that are reasonably certain to be exercised when you input the initial payment stream. You should not enter just the first year of payments when the lease extends beyond one year simply because you have an invoice for the first year.**
- B. Payment Amount-The amount of the periodic payment that applies toward the “rental” of the leased asset. This is the amount that is used to calculate the present value of the payment stream. This does not include executory costs.
- C. Executory Costs-The amount that applies to non-lease payments that are included in the lease agreement such as taxes, insurance, repairs, and maintenance, etc. of an asset and is included in the total periodic payment amount specified by the lease. The executory costs are not included in the present value calculation of the lease.
- D. Annual rate- The incremental interest rate used by the Commonwealth for calculating the present value of the asset. LAS Plus defaults to the prime interest rate as of the beginning payment date. **Users should overwrite this rate with the lessor's rate or the agency's calculated incremental borrowing rate when available. Agencies should only use the LAS Plus default rate if neither the lessor rate is available or an incremental borrowing rate cannot be calculated.**
- E. Type-For all lease types LAS Plus defaults to *original lease* since all payment streams that are reasonably certain to be exercised should be entered when the lease is initially added to LAS Plus.

Click “Accept.” After completing the required payment fields, click the “Accept” menu button to add the payment stream to the lease. The payment screen will then update showing that the record has been added and the lease classification based upon the payment information entered. A menu button is available to view the lease.

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## Internal Control

### Internal Control

Each agency and institution should implement cost-beneficial internal control procedures to ensure that:

- All lease activity is properly controlled and recorded by the documentation of the optional lease input documents or LAS Plus lease information and payment screens;
- Lease input documents are either prepared in a timely and accurate manner or printed at the time of data entry into LAS Plus;
- Lease input documents or screen prints are reviewed and approved by authorized personnel; and
- Lease data entered into the system is reconciled to source documentation and agrees to the terms of the actual lease agreement.

## Records Retention

### General

Records should be maintained for a period of at least three years or longer, if necessary, to be in compliance with policies established by the Records Management Section, The Library of Virginia. The retention period generally starts at the close of the fiscal period.

For pending, ongoing or unresolved litigation, audits or claims, retain documentation until completion, resolution or negotiation of settlements and retain according to standard schedules. Provide for the periodic destruction of records not subject to permanent deposit in accordance with policies and procedures established by the Records Management Section, Virginia State Library and Archives.

## DOA Contact


### Contact

Financial Reporting Project Lead

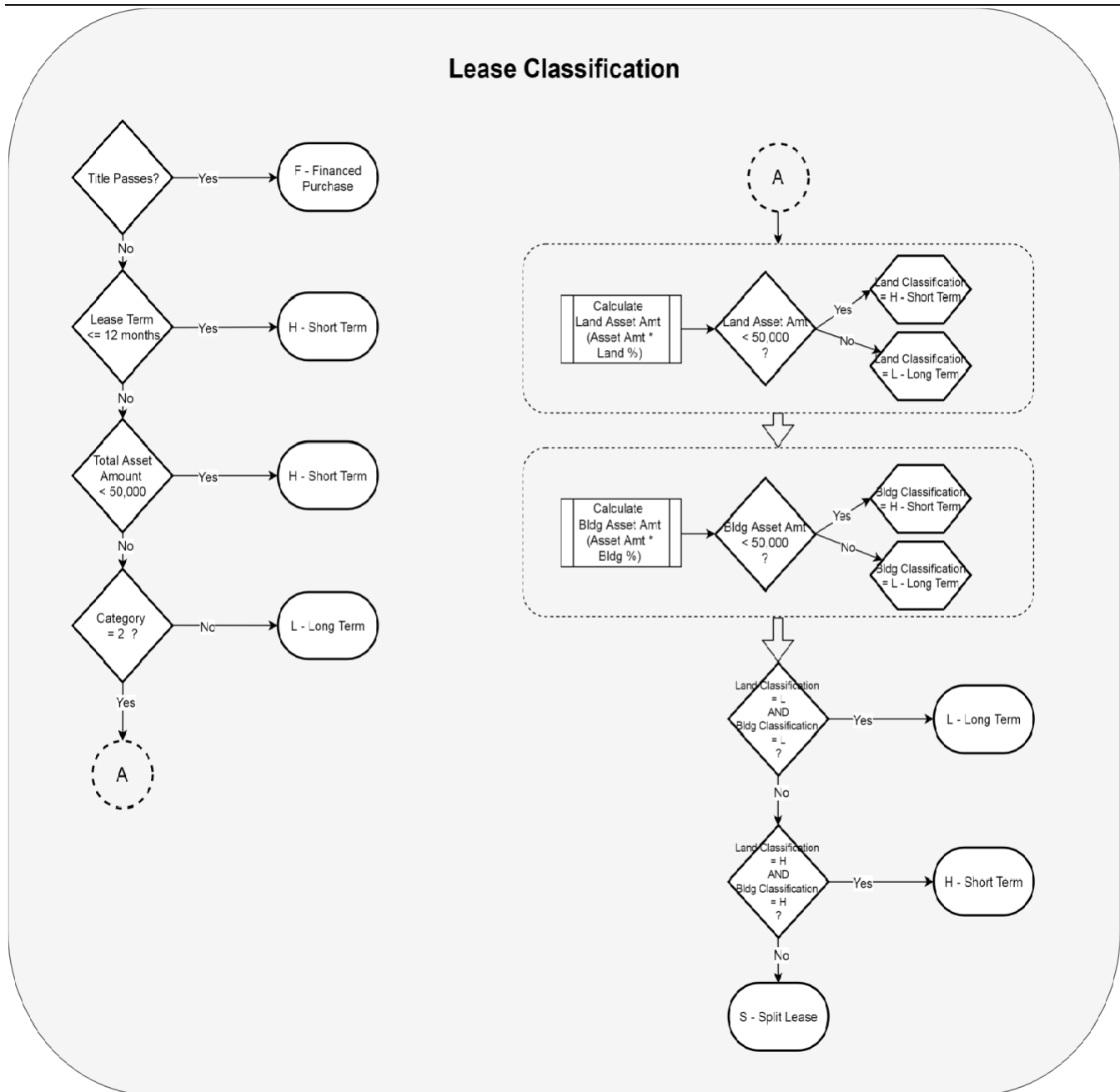
☎ (804) 225-2257

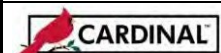
FAX (804) 225-2430

✉ [las@doa.virginia.gov](mailto:las@doa.virginia.gov)

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## LAS Plus Lease Classification Flowchart




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## APPENDIX A

### LAS Plus Lease Information Input Worksheet

#### LAS Plus Lease Input Worksheet

Agency	_____	Lease Number	_____
Category	1-Land 2-Land/Building 3-Building 4-Part of Building 5-Equipment	Useful Life (for Financed Purchases)	
Title Passes	Yes/No		
Purchase Option if reasonable certain to be exercised.	Yes/No	Purchase Option Amount	_____
Ancillary Charges	Yes/No	Ancillary Charges Amount	_____
Payments Made Prior to Commencement of Lease Term	Yes/No	Payments Made Prior Amount	_____
Guaranteed Residual Value	Yes/No	Guaranteed Residual Value Amount	_____
Fund	_____		
Program	_____		
Lease Description	_____		
Other Description 1	_____		
Other Description 2	_____		
Serial Number	_____		
Payment Timing	Beginning of Period/ End of Period	Year Const.	_____
Beg. Pmt. Date	_____		
Renewal Lease #	_____	Original Lease #	_____
Estimated Asset Value:			
Land	_____	Building	_____
Part of Building	_____	Equipment	_____

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## LAS Plus Lease Payment Data Input Worksheet

### Payment Stream:

<b>Reason:</b>	<b>Original Entry/Error Correction, Retest Lease</b>						<b>Default to Prime Rate</b>
Freq.	Monthly, Quarterly, 3 times a year, Semiannual, Annual						
	Pmt		Exec.		Total	Int.	
1	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
2	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
3	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
4	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
5	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
6	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
7	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
8	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
9	Amt.		Cost		Pmt.	Rate	
	Pmt		Exec.		Total	Int.	
10	Amt.		Cost		Pmt.	Rate	

If more lines are needed for the payment stream, please attach another sheet. All payment streams must be entered at the beginning of the lease, including any escalation calculations necessary per terms of the lease agreement. Do not just enter one year of the lease payments because you have a Purchase Order or Invoice that covers only one year. The entire lease term must be entered including any options to extend the lease if it is reasonably certain that these will be exercised