

Nakisa Lease Administration for **Lessor Accounting**

Lease accounting software for long-term sustainability
beyond compliance



NAKISA[®]

Fully Compliant with ASC 842, IFRS 16, and GASB 87

Nakisa Lease Administration is a cloud-based lease management, accounting, and reporting platform designed to support regulatory compliance with IFRS 16, ASC 842, and GASB 87 out-of-the-box. A comprehensive enterprise lease accounting solution, Nakisa Lease Administration's automated solution allows organizations to manage global lease portfolios, gain strategic insights into financial data, and streamline lease accounting operations.

Standard Integration with AR and GL Systems

Nakisa Lease Administration provides standard, configurable GL and A/R integration for leases, eliminating the need for spreadsheets, manual interfaces, and dual-entry functions that may be spread out over multiple departments, potentially reflecting inaccurate data. By offering a single data source with out-of-the-box integration, Nakisa's solution reinforces internal controls, increases accounting transparency, and reduces audit risk.

Flexible Implementation

Nakisa's simple and effective approach ensures an on-time and on-scope implementation. By providing a managed integration solution in the cloud, Nakisa supports customer integrations without

requiring the customer to source or manage costly, bolt-on integration middleware.

The solution includes:

- **Flexible integration:** The solution integrates with SAP, Oracle, and other ERP systems. Connectors exist to support integration with the largest ERP systems, and API technology allows users to read and write to any financial system.
- **Flexible maintenance:** Monthly master data updates such as exchange rates and cost object changes mean IT/administrators are not required to update the same information in two different places, making it easier to maintain streamlined business solutions.
- **Cross-system data consistency:** With master data automatically updating from a single source, business operations are stored consistently across platforms.
- **Reduced risk:** Financial and non-financial data can be synced so that users don't have to enter the same information manually. Postings are generated live in ERPs. When an entry is generated by Nakisa Lease Administration, it is automatically recorded to the ledger and therefore the data is always up to date. All data can be synced from either a master data file or a standalone system.

Visualization of Data

By providing processing and automated monthly accounting, Nakisa allows for greater transparency into lease agreement and recurring payment inflows, empowering organizations to make data-based decisions for budgeting, forecasting revenues and future inflows, and investment management. Nakisa's solution includes optional fields for users to recognize what types of assets are being leased out.

Automated Reporting

Automated research and reporting tools also allow users to accurately plan, schedule, and track incoming payments, both at the onset of the lease receivable and at its settlement. The solution also includes follow-up modifications to the lease arrangements. As well, Nakisa allows for individual lease agreement revisions, granting users the ability to see how different term lengths and payment amounts affect their lease schedules and profit margins.

Scheduling and Workflow

Nakisa Lease Administration calculates and maintains the accounting schedule of lease receivables with respect to leased assets for each month in the lease term. Additionally, Nakisa Lease Administration handles all processes such as concessions, possible lease reclassifications, and modifications giving rise to gain/loss scenarios, asset returns

following lease ends, as well as the accretion of residual asset values, lease receivables, and interest income accrual. Balance sheet accounting is automatic for sales-type, direct finance, and operating leases. This includes monthly reclassification of current and non-current lease receivables.

Moreover, Nakisa's workflow management handles approval and invoicing for leased assets and includes an invoice reconciliation functionality that automatically detects disparities between contractually-agreed amounts and the payments actually received.

Alerts, Disclosure Reporting, and Queries

Nakisa Lease Administration satisfies all required disclosures out-of-the-box, including quantitative note disclosure requirements. The solution also supports rate and term modeling to ensure the most beneficial financial terms on the leases. In addition, the Nakisa solution provides configurable, event-driven email notifications and workflow alerts that improve operational efficiency. The solution also has the ability to schedule and generate multiple standard financial reports.

Contract Storage Documentation

Nakisa Lease Accounting can store any electronic document in its central repository. Lease contracts, issued invoices, bank statements, and other

associated notes and spreadsheets can be uploaded and attached to specific master lease agreements in order to contribute to AR versus total cash reconciliation processes and individual lease records. Together, these measures further reduce audit risk by increasing traceability.

Scalability

Nakisa's Cloud Platform (NCP) technology stack was selected for its proven ability for performance and scalability to support all types of business sizes, from small-scale to enterprise. As well, mass data uploads of leases and contractual terms amendments are possible with Nakisa's delivered import tools. These data import tools, which include data validations, simplify the process of gathering and uploading data into the solution.

Managed Service

Nakisa Lease Administration is a fully managed service. Consistently striving for service delivery excellence, Nakisa's service-level agreement governs the quality, availability, and support commitments Nakisa makes to each and every partner. Including storage and back-ups, Nakisa's solution can integrate with SAP FI (new) asset accounting and FI general ledger.

All sales-type, direct finance, and operating leases are tracked, allowing for improved reporting capabilities of lease receivables. Additionally, Nakisa

can maintain multiple revisions of lease agreements, allowing for the creation and comparison of differing lease receivable settlement schedules. This allows users to forecast the impact the new accounting standards will have on financial statements and provide an overview of the contractual cash inflows. The system has been architected to allow for easy and independent updates as new regulations are released.

Why Nakisa

Nakisa's success stems from its experience working with Fortune 1000 organizations with complex IT landscapes, massive data sets, and unique integration requirements. Continuous development, a global partner network, together with co-innovation have allowed Nakisa to consistently meet customer needs.



Value Delivered

Reduced Operational and Audit Risk:

- Improve decision-making with full transparency into lease agreements and receivables
- Gain greater visibility into implicit interest rates and contract terms
- Increase traceability with automated processes that track changes, decisions, and system settings, supporting IT general control requirements
- Minimize billing errors by replacing manual processes with automated invoice reconciliation

Sophisticated Revenue Management:

- Out-of-the-box disclosure reporting satisfies new FASB, IASB, and GASB standards from a quantitative perspective
- Improve forecasting of lease agreements for balance sheets
- Lower accounting and compliance expenses with process automation

- Reduce IT costs with a single integrated data repository for all lease contracts and leased assets including equipment and real estate

Greater Business Efficiency:

- Increase visibility and controllership with a central repository
- Improve investment transparency and reporting of leases organization-wide
- Negotiate and manage lease contracts without adding accounting complexity
- Track contracts in the currency they were recorded in, and Nakisa Lease Administration automatically converts to the organization's reporting currency for reporting and journal entries
- Manage all simple and complex lease types across all geographies
- Manage the full range of lease calculations, from the straightforward to the most complex, including variable rate and dynamic lease calculations

About Us

A global leader in cloud business solutions for Organization Design and Accounting & Compliance, Nakisa delivers innovative, forward-thinking and robust human resource and financial management solutions that advance your business strategies.

If you are interested in learning more about Nakisa Lease Administration, contact us today on info@nakisa.com or visit our website www.nakisa.com/finance.

Contact Us

Please visit www.nakisa.com for more information or email info@nakisa.com to arrange a consultation with a product expert.

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