

Implementing GASB 87 – Leases

Effective FY2022

OVERVIEW

Governmental Accounting Standards Board Statement 87 Leases (GASB 87) establishes a single model for lease accounting based on the principle that leases are financings of the right to use an asset. GASB 87 applies to leases of capital assets—including buildings, land, and equipment.

LEASES WILL BE RECORDED IN THE FACILITIES PORTFOLIO MANAGEMENT TOOL

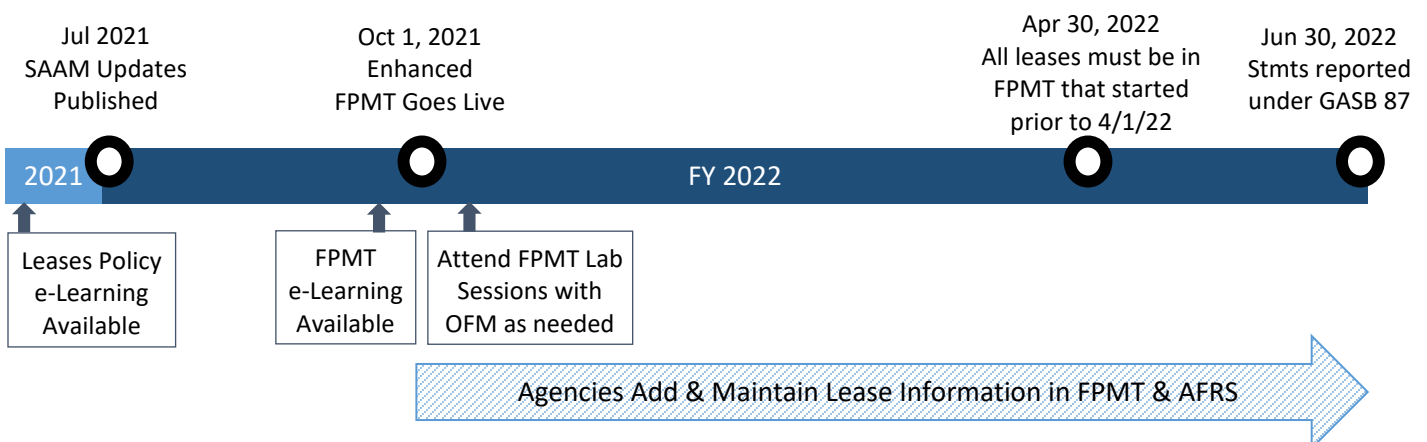
Agencies currently record all leased and owned facilities in the Facilities Portfolio Management Tool (FPMT). Beginning in October 2021, agencies must verify the information previously entered in FPMT and record any additional leases within the scope of GASB 87 that exceed the capitalization threshold (\$500,000 in total lease payments over the lease term) as well.

We are modifying FPMT so that agencies can comply with GASB 87 and send accounting transactions to AFRS. Additional information is available on the [OFM Leases Accounting Resource Page](#).

Current FPMT	October 1, 2021 Added FPMT Functionality
<ul style="list-style-type: none"> ✓ Track state-owned and leased facilities. ✓ Track receivable leases for facilities when another agency is the lessee. ✓ Used by all state agencies. ✓ Contains 85% of data needed for GASB 87 for about 1,000 facilities leases. ✓ Facilities wizards 	<ul style="list-style-type: none"> ✓ Track owned and leased land, leases of other assets such as equipment, and software subscriptions. ✓ Track receivable leases (state is lessor) for facilities, land, and other assets when state is not lessee. ✓ Send lease accounting transactions to AFRS, including lease payments. ✓ Produce reports for reconciliation to AFRS, recording entries manually, and financial statement disclosures. ✓ Adding accounting and facilities roles. ✓ Updated facilities wizards and new accounting wizard.

Note: Agencies will continue to be required to track all state owned and leased facilities in FPMT, regardless of whether they meet the state’s capitalization threshold (RCW [43.82.150](#)).

TIMELINE



There is a detailed checklist for agencies based on this timeline on the next page.



CHECKLIST

