

How to Classify Lease Payments under GASB 87

Payment type	Fixed and Fixed In-Substance Payments	Variable Payment ¹	NonLease Component ²	Initial Direct Costs
	<i>Enter amount in FPMT</i>	<i>Describe in FPMT and record in ED/D202 and EH/H202</i>	<i>Expense as paid and record in appropriate SO/SSO</i>	<i>Enter amount in FPMT. Added to Lease Asset</i>
Base Rent	X			
Maintenance Services			X	
Light Bulbs/Tubes			X	
Natural Gas			X	
Electric			X	
Garbage			X	
Insurance			X	
Restroom Supply			X	
Sewer			X	
Stormwater			X	
Property Tax		X		
Water			X	
Recycling			X	
Janitorial Services			X	
Other Services			X	
Payments that depend on an index rate	X			
Payments that depend on a variable rate		X		
Hours Used		X		
Miles driven		X		
Percentage of Sales		X		
Delivery and Installation				X

Notes:

¹ Variable payments that are fixed in-substance

² If nonlease components cannot be separated from the lease components (costs based on right-to-use asset such as base rent), then they should be included in the lease payment.