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Course Information

Course Title: ***Implementing the New Lease Standard-2024 #314324***

Recommended CPE credit hours for this course

In accordance with the standards of the CFP Board, the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

CPA 4 (Accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE .51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

Course Description

The purpose of this course is to review the changes made to lease accounting by ASU 2016-02, *Leases*, (as further amended by ASU 2018-01, *Land Easement- Practical Expedient for Transition to Topic 842*, and numerous other amendments), and to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. Topics include a review of the new rules for lessees and lessors, the types of leases, how to account for the balance sheet, income statement and cash flows statement impacts of different types of leases, the implementation requirements, and more.

Course Content

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Final exam (online): Twenty questions (multiple-choice).

Program Delivery Method: Self-Study (NASBA QAS Self-Study/interactive)

Subject Codes/Field of Study

NASBA (CPA): Accounting

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic understanding of U.S. GAAP

Advance Preparation: None

Table of Contents is located on page vi.

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- Complete the course by following the learning objectives listed for the course and studying the text.
- Once you have completed studying the course and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a **printed copy** of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and CDFA credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Learning Objectives

As a result of studying each assignment, you should be able to meet the objectives listed below for each individual assignment.

ASSIGNMENT AND SUBJECT

1. Review the materials in the course by section
2. Study the Review Questions and Suggested Solutions throughout course
3. Answer the Review Questions and compare your answers to the Suggested Solutions within each section.

After reading the course material, you will be able to:

- Recognize a key change made to GAAP by the new lease standard
- Identify a type of lease that exists for a lessee under ASU 2016-02
- Recall a type of lease for which the ASU 2016-02 rules do not apply
- Identify some of the types of benefits a lessee can obtain from a leased asset
- Identify a threshold for a lease term to be considered a major part of an asset's remaining economic life
- Recognize who an entity might not want to use the risk-free rate to compute the present value of lease payments
- Identify how a lessee should account for initial direct costs
- Recognize items that are and are not components of a lease term
- Recall the method a lessee should use to record interest expense on a lease obligation
- Identify some types of leases for a lessor
- Recall how a lessor should initially account for initial direct costs for a lease in certain instances
- Identify how a lessor should account for lease payments received on the income statement for an operating lease
- Recall how a lessor should classify certain cash receipts on the statement of cash flows
- Recognize how certain existing leases are accounted for on the implementation date of ASU 2016-02
- Identify how deferred income taxes will be treated for lessees under ASU 2016-02
- Recall the potential impact that the new lease standard might have on a lessee's EBITDA and debt-equity ratios, and
- Recall the IRS rules as when an entity should and should not capitalize a lease for tax purposes.

ABOUT THE AUTHOR

STEVEN C. FUSTOLO, CPA

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company and Director of the National Tax Institute, Inc. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles are regularly featured in *The Practical Accountant* and other publications. He is the author of *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, and *FASB, SSARS and SAS Update and Review* and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH). He is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to receive accolades and is regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for scores received on the CPA Examination.

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**The New Lease Standard
ASU 2016-02 and Other Amendments
Guidance for Private Company Implementation and Post-
Implementation Issues – 2024 Edition**

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