This job aid provides step-by-step instructions for using FPMT's lease renewal wizard to renew a master lease contract with an associated receivable lease. These instructions apply to facilities only and are not applicable to land and other assets.

FPMT has been expanded to meet new Governmental Accounting Standards Board (GASB) requirements. In addition to new functionality, system updates include new user roles as well as changes to existing business processes. Refer to the What's New with FPMT job aid for a high-level overview of system updates. As part of FPMT's new functionality, the system will send accounting entries to the Agency Financial Reporting System (AFRS) for leases that meet GASB criteria. Refer to Statewide Accounting's GASB 87 web page for lease decision trees and other background information to help you determine whether a lease is in scope for GASB.

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Overview

Which FPMT user roles can renew a lease?	• This wizard can only be accessed by users with the FPMT Accounting role. Users must have edits rights. • The FPMT Facilities role cannot access the renewal wizard, nor can this role renew leases manually in the system. • Per agency discretion, an individual can be assigned both the Accounting and Facilities user roles.
Where do I access the renewal wizard?	• The renewal wizard is accessed via the menu button on the expiring master lease contract tile.
When should I renew a master lease?	• Master leases should be renewed on or after the lease start date, but before the first payment. • When you renew a master lease, you will need to renew the associated receivable lease(s) at the same time, otherwise the receivable lease(s) will automatically become inactive when you save and close the renewal.

What information do I need to renew a master lease?	• A copy of the new master lease contract and the new receivable lease contract(s).
	• The expiring master lease contract number.
	  ○ If you need to locate a lease number, you can run a Lease Contract Inventory Report from the agency tile in FPMT.
	• If total lease payments are above the capitalization threshold, you will also need:
	  ○ Initial Indirect Costs, if applicable
	  ○ Prepayments on the receivable lease contract, if applicable
	• If FPMT will send accounting entries to AFRS for this lease, you will also need:
	  ○ Master Index
	  ○ Vendor Number and Suffix for lease payments
	  ○ Day Payment Initiated

Why should I use the wizard?	• The wizard simplifies the renewal process by guiding you through each step and reducing manual activity in the system. • The wizard also includes business rules, or validation checks, to prevent incomplete data and common data entry errors.

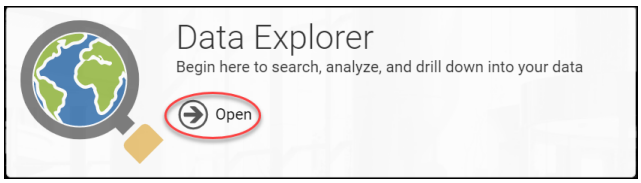
Wizard basics:

- The wizard opens in a new window, which will close when you complete the renewal. Once the renewal window closes, you will need to refresh your original FPMT window to see all of the changes.
- Once you Save and Close the renewal, you cannot go back into the wizard.
- Make sure to allow enough time to complete the renewal process in one sitting. If you time out during the renewal process, <u>you will lose your data</u>.
- You navigate through the wizard, by clicking the Next or Previous buttons.

Launch the Lease Renewal Wizard

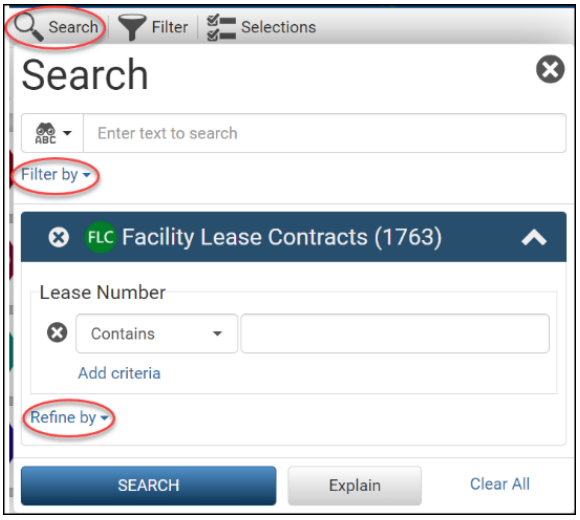
Navigate to the expiring master lease contract and launch the lease renewal wizard.

1. **Open** the Data Explorer module.



2. **Select** the Search button on the data explorer tool bar.
3. **Select** Filter by and choose **Facility Lease Contracts**.
4. **Select** Refine by and choose **Lease Number**.
5. **Enter** the lease number for the expiring master lease contract.

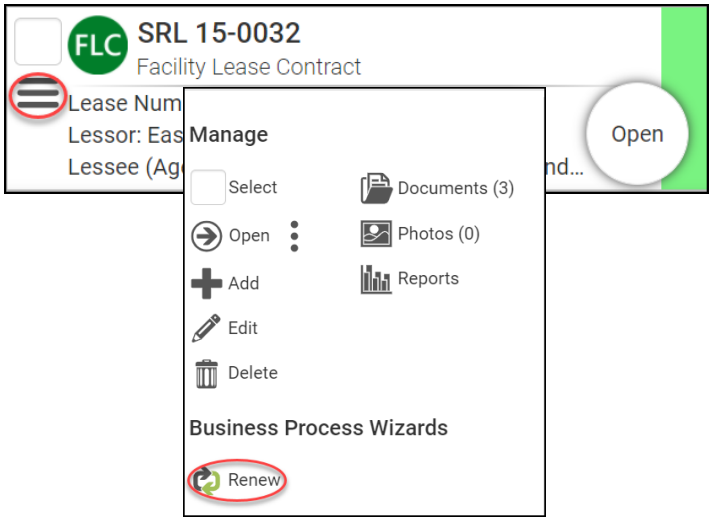
   ➔If you need to locate the expiring lease contract number, run the Lease Contract Inventory Report available via the menu button on the agency tile.
6. **Select** SEARCH



7. **Select** the menu button on the facility lease contract tile
8. **Select** **Renew**

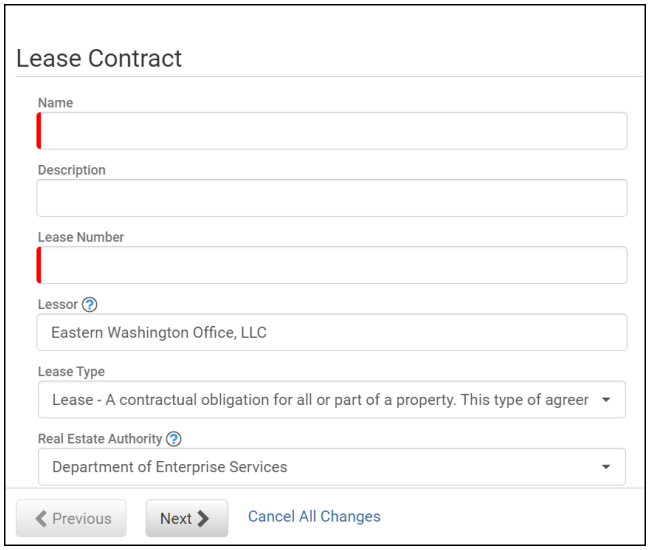
   ➔FPMT will open the lease renewal wizard in a new window.

   ➔The system will automatically populate information from the existing lease. You may update this information if there are changes.

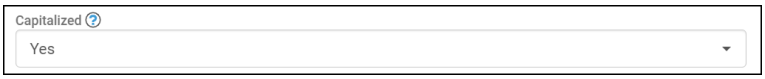


Renew the Master Lease

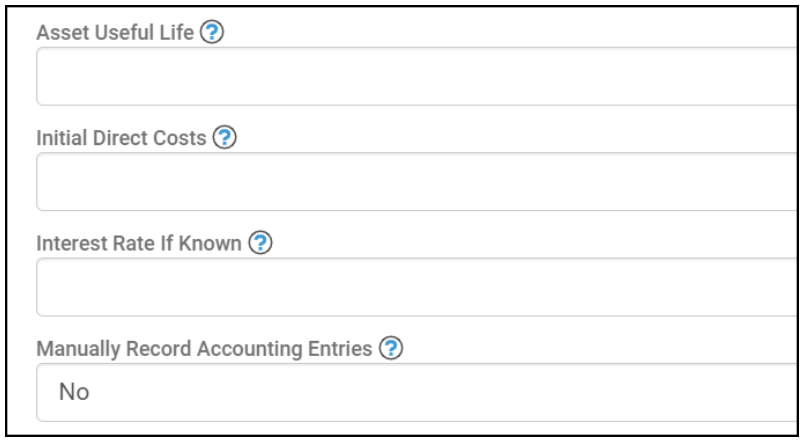
1. **Enter** agency data. Red fields are required.
   - Name
     ➔Use the lease number
   - Lease Number
     ➔Lease numbers must be unique; they cannot be used for more than one record.
   - Lease Executed Date
     ➔The date the last party signed.
   - Lease Start Date
   - Lease End Date



- Capitalized
  ➔Will this lease contract be capitalized? If FPMT will send accounting entries to AFRS, the answer will always be "yes."
  ➔OFM has pre-populated this field based on information received to record beginning balances.



- Asset Useful Life
  ➔Useful life of the asset being leased (in years).
- Initial Direct Costs
  ➔Ancillary charges necessary to place the leased facility into service.
- Interest Rate
  ➔Use interest rate if stated in the lease contract or incremental borrowing rate for college or university. If none entered, the state's incremental borrowing rate will be used.
- Manually Record Accounting Entries
  ➔If "yes," FPMT will not send any transactions to AFRS for this contract.



- Vendor Number (dropdown)
- Vendor Number Suffix

➔These two fields are required if you selected "no" for manually recording accounting entries.

- Master Index (dropdown)

  ➔The master index field is required if you selected "no" for manually recording accounting entries and the total lease payments are over the capitalization threshold.
- Master Index Title

  ➔If a master index is chosen, the system will populate this field.

- Accounting Reference

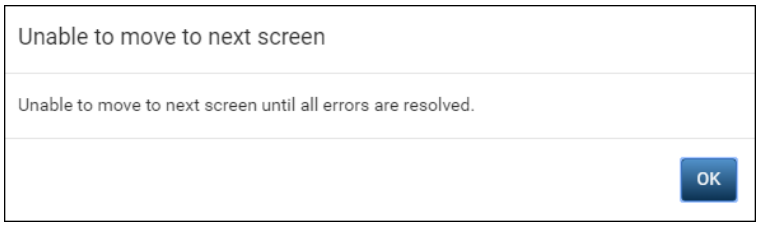
  ➔Accounting coding reference field for agencies manually recording accounting entries. This field will appear on reports used to record accounting entries.

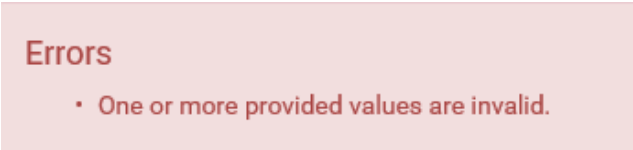
2. Once you have completed the lease contract table, **select** Next ❯

➔If you navigate away from the lease contract form before properly completing the table, you will receive an error message.

➔You cannot move forward until the error is fixed.

Note: This error will show up in every table if you try to save with missing/incorrect data or try to navigate away before properly completing the table. In addition to this error, you will see a message in pink with more detail.





➔The system will check that you have populated all required fields if you selected "no" to Manually Record Accounting Entries.

Errors
- The lease contract vender number is required when manually record accounting entries is set to no.
- The lease contract vender number suffix is required when manually record accounting entries is set to no.

Errors
- The lease contract master index is required when manually record accounting entries is set to no.

Errors
- The lease contract capitalized must be set to yes when manually record accounting entries is set to no.

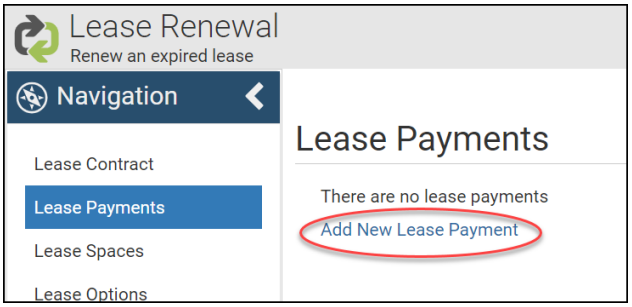
➔In addition to validating that all required fields have been populated, the wizard will also ensure that the lease contract start date is a date prior to the lease contract end date.

Errors
- The lease contract start date must be prior to the lease contract end date.

Add a Lease Payment

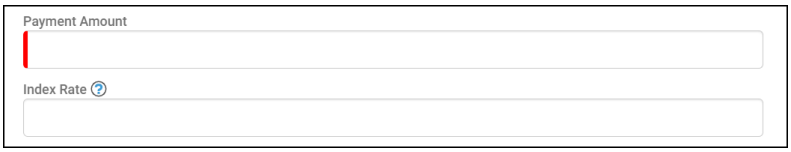
1. **Select** Add New Lease Payment

➔You cannot save and close the renewal until you add at least one lease payment. If there is no base rent for the facility, enter a lease payment for $0.



2. **Enter** agency data. Red fields are required.
   - Name
     ➔Use payment type – payment series number (e.g., Base Rent - 1).
   - Payment Series Number
     ➔Use sequential numbers for payment series (1, 2, 3, etc.).
   - Payment Frequency (dropdown)
   - Payment Type (dropdown)

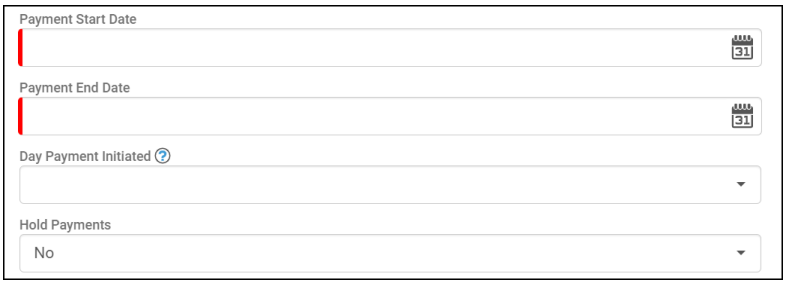
   - Payment Amount
   - Index Rate
     ➔Index or rate used to determine payment amounts, such as CPI or Market Rate. Enter the rate that is in effect at lease commencement.



- Payment Start Date
- Payment End Date
- Day Payment Initiated

  ➔This is the date the payment will be recorded in AFRS if transactions are being sent to AFRS for this lease contract. The date the payment is sent to the vendor will depend on the payment type as well as the AFRS processing schedule (consider weekends and holidays).
- Hold Payments

  ➔ If "yes," FPMT will not send payment transactions to AFRS but will send other accounting entries.



3. Select SAVE CHANGES

➔The lease payment table features the following validation checks:

- All required fields must be completed.
- Index Rate is required if Payment Type is "Indexed Payment."
- Day Payment Initiated is required if Lease Contract Manually Record Accounting Entries is "No."
- The lease payment start and end dates must fall within the parameters of the lease start and end dates.

➔The lease payment table cannot be saved until errors are corrected.

Errors
- The lease payment index rate is required when the payment type is indexed payment.

Errors
- The lease payment date payment initiated is required when manually record accounting entries is set to no in the lease contract

Errors
- The lease payment start date must be on or after the lease contract start date of 11/1/2019.
- The lease payment end date must be on or before the lease contract end date of 10/31/2021.

➔If you navigate away from the lease payment table before saving, you will receive an error.

Errors
- One lease payment is required.

➔Once the lease payment is saved, you can update the information by selecting the details icon or delete the payment by selecting the trash can.

➔Repeat this process if there is more than one lease payment series. All payments can have an Active status.

➔You must enter all lease payment series for the contract, even if the lease is being entered into FPMT retroactively.

➔If you need to edit an existing space, select Next >

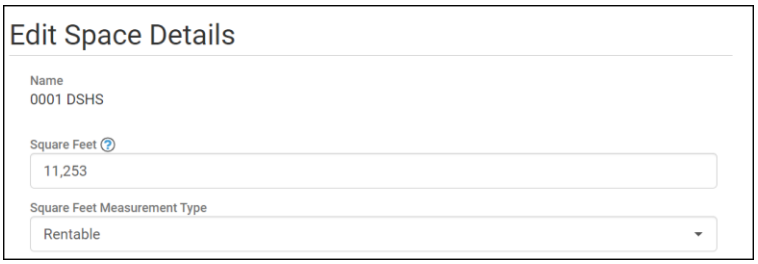
➔If you **do not** need to edit a space but do need to add a Lease Option, select Next > twice.

➔If you **do not** need to make any changes to your existing space(s) OR add a lease option, select Next > four times to skip ahead to Receivable Lease Contracts.

Edit Existing Space(s)

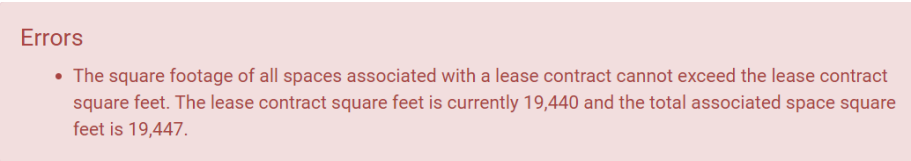
You will see all Active spaces currently associated with the lease contract you are renewing.

1. **Select** the Details icon to edit an existing space.
2. **Edit** agency data as needed.



➔If you're updating the square footage, make sure the total space square feet matches the square feet in the Lease Contract table.

➔You will receive an error message when you click Next if the space square feet exceeds the lease contract square feet.



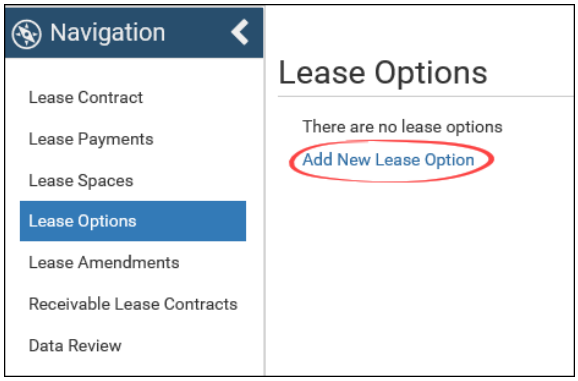
3. Select SAVE CHANGES

➔If you need to add a Lease Option, select Next >

➔If you **do not** need to add a lease option, select Next > three times to skip ahead to Receivable Lease Contracts.

Add a Lease Option

1. Select Add New Lease Option



2. Enter agency data. Red fields are required.

- Name

  ➔Use the option type – option number (e.g., Cancel – 1).
- Option Number

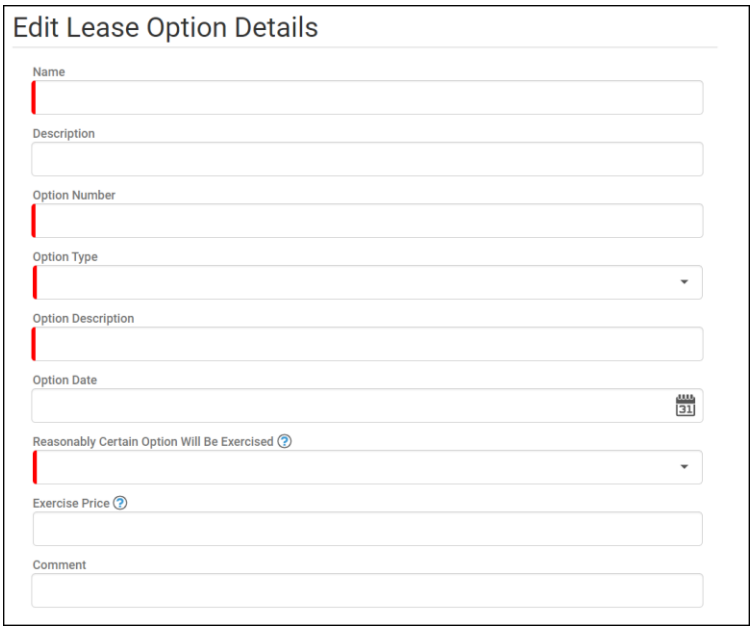
  ➔Options should be numbered in the order they appear in the lease contract (1, 2, 3 etc.).
- Option Type (dropdown)
- Option Description

  ➔Provide a brief description of the clause in the lease.
- Option Date
- Reasonably Certain Option Will Be Exercised (yes/no)

  ➔This field is needed to determine whether or not this payment should be included in the lease liability and lease asset calculations.
- Exercise Price

  ➔The exercise price of the purchase option if it is reasonably certain that the lessee will exercise that option.

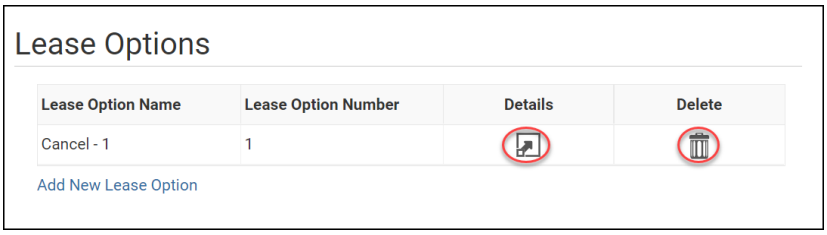
  ➔Required if option type is Purchase and Resonably Certain is marked "yes."



3. Select SAVE CHANGES

➔Once the lease option is saved, you can update the information by selecting the details icon or delete the option by selecting the trash can.

Note: Repeat this process if there is more than one lease option.



➔Select Next > twice to move to Receivable Lease Contracts.

Renew Receivable Lease Contract(s)

➔The system will display any associated receivable lease contracts.

➔The receivable leases must be renewed at the same time as the master lease, otherwise they will be deactivated when you save and close the lease renewal wizard.

➔The system will automatically populate certain fields based on the previous lease. You can update this information if needed.

1. Select Renew

2. Enter agency data. Red fields are required.

- Name

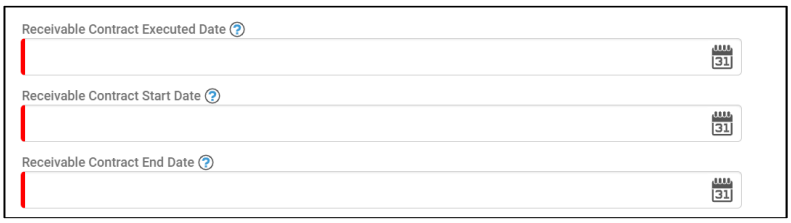
  ➔Use the receivable lease number.

- Receivable Contract Number

  ➔Must be a unique contract number.

- Receivable Contract Executed Date

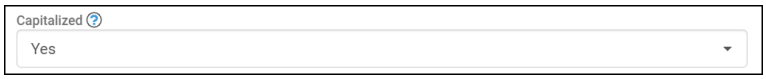
  ➔Use the date the last party signed.
- Receivable Contract Start Date
- Receivable Contract End Date



- Capitalized

  ➔Will this lease contract be capitalized? If FPMT will send accounting entries to AFRS, the answer will always be “yes.

  ➔OFM has pre-populated this field based on information received to record beginning balances.



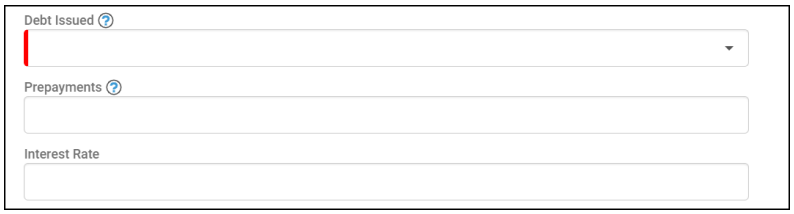
- Debt Issued

  ➔Has debt been issued that is secured by the payments from this lease?
- Prepayments

  ➔Payments received from the lessee at or before lease commencement that relate to a future period, such as a deposit for the final month's rent.

  ➔This field is required if the total lease payments are above the capitalization threshold.
- Interest Rate

  ➔ Use interest rate if stated in the lease contract or incremental borrowing rate for college or university. If none entered, the state's incremental borrowing rate will be used.



- Manually Record Accounting Entries

  ➔If “yes,” FPMT will not send any transactions to AFRS for this contract.
  ➔This field should always be “yes” for receivable leases between two state agencies.

- Master Index (dropdown)

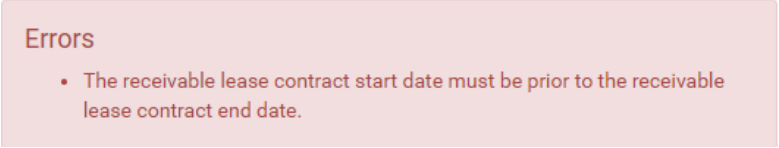
  ➔The master index is required if you selected "no" for manually recording accounting entries and the total lease payments are over the capitalization threshold.
- Master Index Title

  ➔If a master index is chosen, the system will populate this field.

- Accounting Reference

  ➔Accounting coding reference field for agencies manually recording accounting entries. This field will appear on reports used to record accounting entries.

➔Just like with the previous tables, you will receive an error message if you try to move forward with inaccurate or incomplete data.

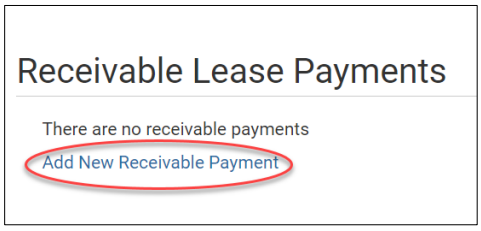


➔**Select** Next > to add a receivable lease payment.

Add a Receivable Lease Payment

1. **Select** Add New Receivable Payment

   ➔At least one receivable payment is required. If there is no base rent, add a receivable payment for $0.



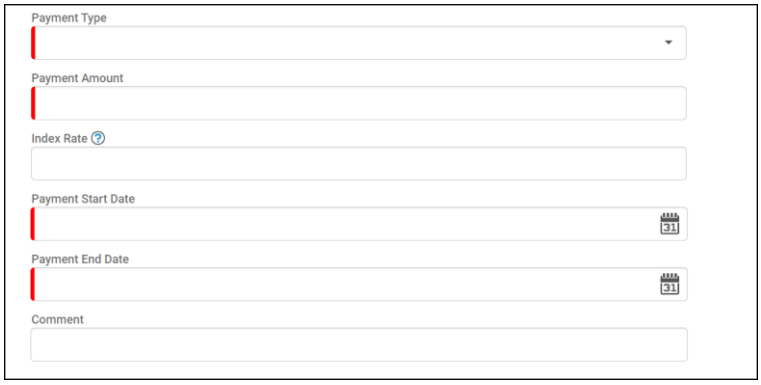
2. **Enter** agency data. Red fields are required.
   - Name

     ➔Use payment type – payment series number (e.g., Base Rent - 1).
   - Payment Series Number

     ➔Use sequential numbers for payment series (1, 2, 3, etc.).
   - Payment Frequency (dropdown)

- Payment Type (dropdown)
- Payment Amount
- Index Rate

  ➔Use the index or rate in effect at lease commencement.
- Payment Start Date
- Payment End Date



3. Select SAVE CHANGES

➔This table includes the following checks:

- At least one lease payment is required.
- All required fields are completed.
- The payment start and end dates must fall within the parameters of the master lease contract start and end dates.
- The Index Rate is required if the payment type is "indexed payment."

Errors

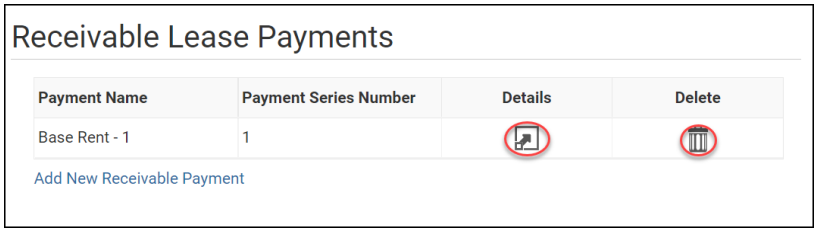
- One receivable lease payment is required.

Errors

- The lease payment index rate is required when the payment type is indexed payment.

➔Once the payment is saved, you can edit it by selecting the details icon or delete it by selecting the trash can.

➔Repeat this process if there is more than one payment series.



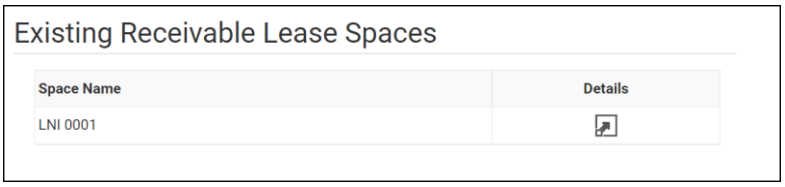
➔If you need to edit a receivable lease space, select Next >

➔If you **do not** need to edit a receivable lease space but do need to add a receivable lease option, select Next > twice.

➔If you **do not** need to edit a receivable lease space OR add a receivable lease option, select Next > four times to skip ahead to Data Review.

Edit Existing Receivable Space(s)

1. Select the details icon.

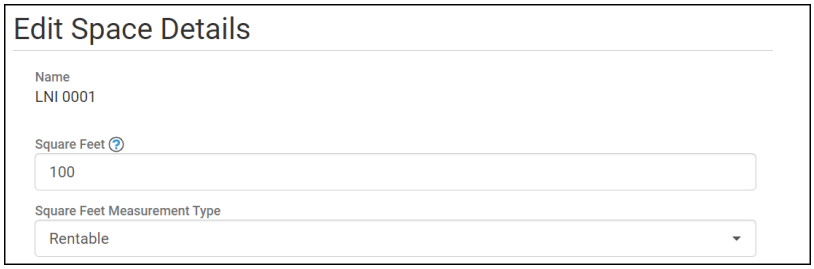


2. Edit agency data as needed.

➔If you're updating the square footage, make sure the total space square feet matches the square feet in the Receivable Lease Contract table.

➔You will receive an error message when you click Next if the space square feet exceeds the receivable lease contract square feet.

➔Additionally, you will receive an error if the combined total of all spaces exceed the total square feet in the master lease contract.



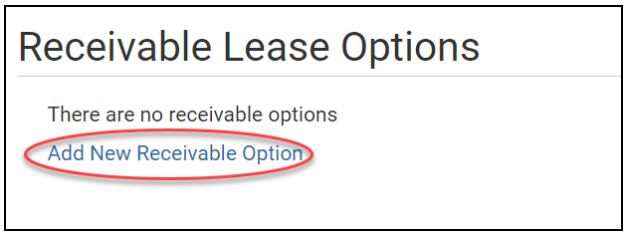
3. Select SAVE CHANGES

➔If you need to add a receivable lease option, select Next >.

➔If you **do not** need to add a receivable lease option, select Next > twice to skip ahead to Data Review.

Add a Receivable Lease Option

1. **Select** Add New Receivable Option

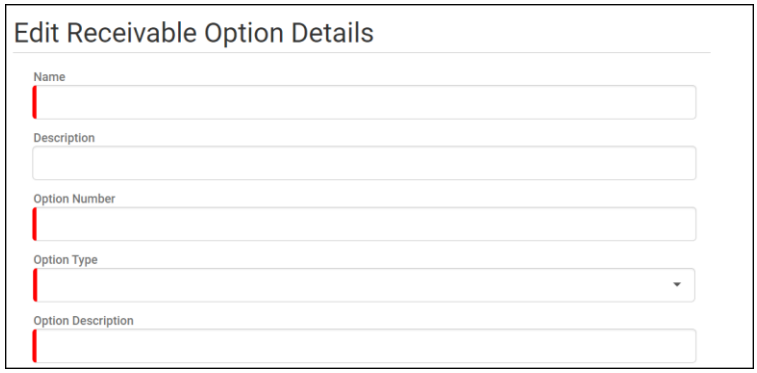


2. **Enter** agency data. Red fields are required.
   - Name

     ➔Use the option type – option number (e.g., Cancel – 1).
   - Option Number

     ➔Options should be numbered in the order they appear in the lease contract (1, 2, 3 etc.).
   - Option Type (dropdown)
   - Option Description

     ➔Provide a brief description of the clause in the lease.

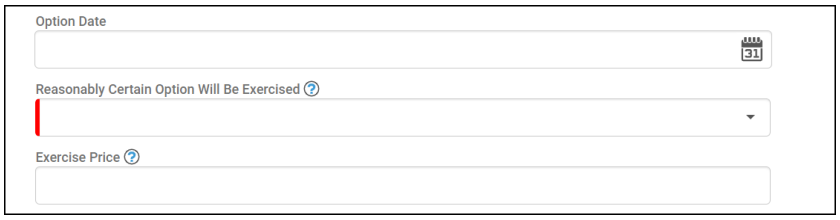


   - Option Date
   - Reasonably Certain Option Will Be Exercised (yes/no)

     ➔This field is needed to determine whether or not this payment should be included in the lease liability and lease asset calculations.
   - Exercise Price

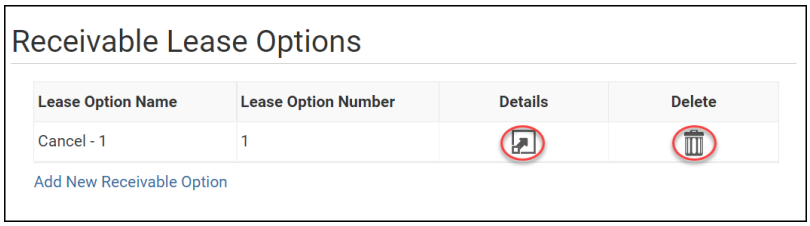
     ➔The exercise price of the purchase option if it is reasonably certain that the lessee will exercise that option.

     ➔Required if option type is Purchase and Resonably Certain is marked "yes."



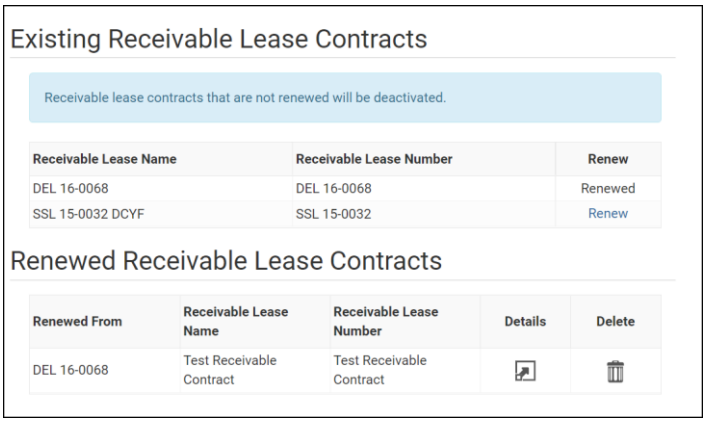
➔Once the option is saved, you can edit it by selecting the details icon or delete it by selecting the trash can.

➔Repeat this process if there is more than one receivable lease option.



➔Once you have completed the receivable lease tables, you will see a status change in the wizard.

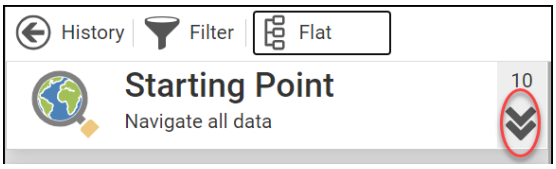
➔Repeat this process if you need to renew another receivable lease.



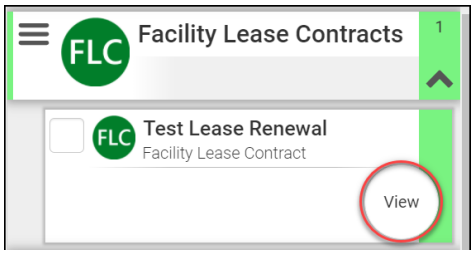
➔Select Next > twice to review your data.

Data Review

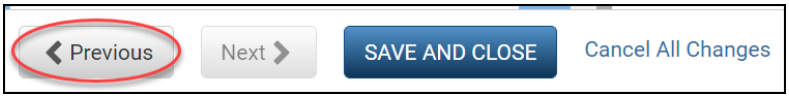
1. **Select** the Hierarchy button to change to the Flat view. You can now see all the tables you have added or edited as part of the renewal process.
2. **Select** the arrows on the Starting Point tile to expand all of the tiles below.



3. **Select** View on each tile to see the data you have entered for the renewal.
4. **Review** the data for your lease renewal.



➔To edit your data, use the Previous button to navigate back to an earlier screen.



5. **Select** SAVE AND CLOSE to complete your renewal.
6. You will see a warning that lets you know you can't go back into the wizard after saving and closing. If you don't need to make any additional edits, select YES.

➔When you complete the renewal, the window will automatically close. FPMT will still be open in the original window. You will need to refresh your screen in order to see your changes.

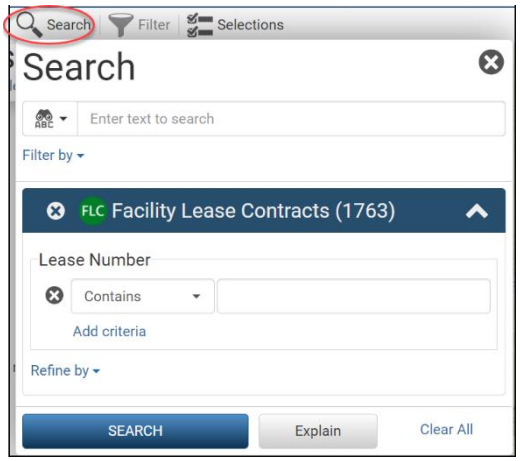
➔Continue to the next step below to upload a copy of the new contracts.

Upload Copy of New Contracts

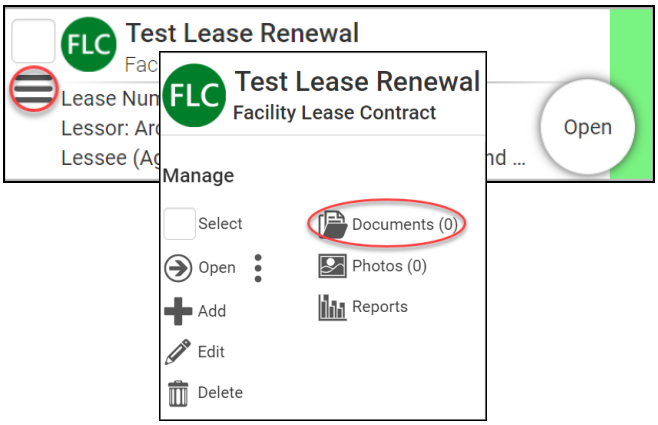
You will need to attach a copy of both the master lease contract and the receivable lease contract.

1. **Select** the Search search button on the data explorer tool bar.

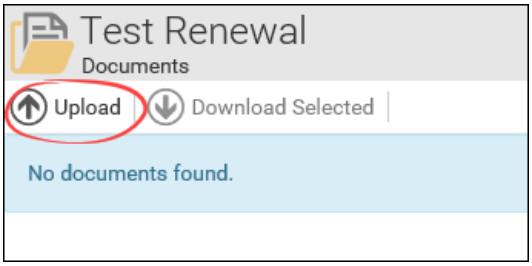
   ➔Your filters will remain in place from your original search.
2. **Remove** the old master lease number and enter the new one.
3. **Select** SEARCH



4. **Select** the ☰ menu button on the new master lease tile.
5. **Select** Documents
   ➔The document manager will open in a new window.



6. **Select** the Upload button.



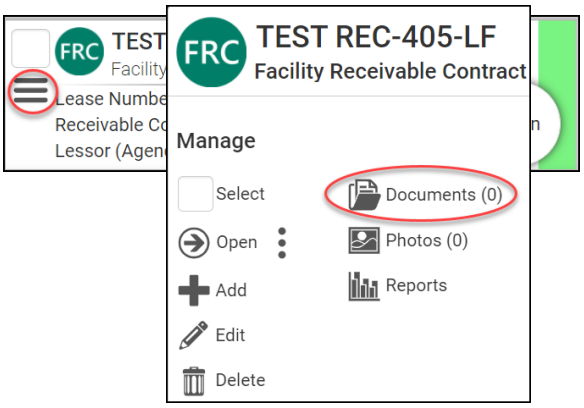
7. **Browse** for, or drag and drop, the file.
8. **Select** CLOSE.

9. **Select** Open on the new master lease contract tile.
10. **Expand** the facility receivable contracts group tile to see the new receivable lease contract tile.

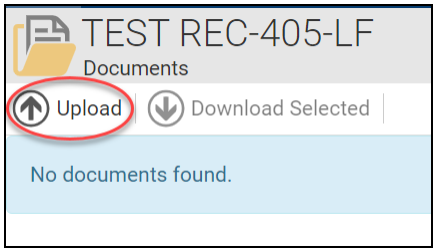
11. Select the ☰ menu button on the new receivable lease tile.

12. Select Documents

➔The document manager will open in a new window.



13. Select the Upload button.



14. Browse for, or drag and drop, the file.

15. Select CLOSE.