



CFO Advice to Help Avoid SFFAS 54 Implementation Pitfalls: A Candid Chat





Overview of SFFAS 54

- The Federal Accounting Standards Advisory Board (FASAB) issued Statement of Federal Financial Accounting Standards 54: Leases (SFFAS 54), which requires federal lessees recognize a lease liability and a lease asset and a federal lessor recognize a lease receivable and unearned revenue at the commencement of the lease term.
- In addition to contracts marked and identified as leases, Agencies are also required to review all contracts to identify any leased assets embedded within other, typically service, contracts. Leased assets embedded within service contracts are commonly known as Embedded Leases.



Let's Chat

- 1) At the onset, what were some of the basic steps taken to gain a good understanding of the SFFAS 54 compliance requirements? How did you prepare?
- 2) What external parties did you engage and when?
- 3) What have you found most challenging on your implementation journey? How are you overcoming said challenges ?
- 4) Can you share some successes (“what is working”) on your implementation journey?



Questions

