



Lease Abstraction Detailed By Local Expert

June 06, 2023

June 06, 2023 - PRESSADVANTAGE -

Beverly, Massachusetts based iLeasePro has shared new insights on lease abstraction in a post on their website. The company is aware of the difficulty associated with navigating and managing commercial leases, and they seek to share options that can greatly alleviate this burden.

Managing a finance portfolio for several companies can be overwhelming. Leases are complex documents that contain detailed financial information and a significant amount of legal and business terminology that is close to secret. Fortunately, there are many effective rental management processes that can make matters easier, and the company states that abstraction is one of the best ? mainly because it simplifies and summarizes the terms of the lease. However, it is important to understand how job summaries work, what information they provide, and how they can be utilized.

Abstraction is a process that condenses and simplifies the most important and frequently used information in a commercial financing plan. This produces a concise summary of an agreement that is easy to read and understand. It captures key concepts and highlights essential information, introducing it in an accessible format. In turn, it can be put to work to use leases as assets, operate more efficiently and make good business decisions.

The abstraction process starts with an analysis of the lease. While the overall process is complex, it can be broken down into two basic steps. The first of these is to identify all of the cash flow transactions associated with lease payments, and the next is to calculate the current net value of the lease by using a discount rate and a spreadsheet program or financial calculation program (such as Excel). Naturally, lease abstraction is a specialty that is generally performed by experts, although there are certain software packages that simplify the process. Clients may be interested to learn that this happens to be iLeasePro's specialty.

Lease abstraction takes years of training and an impressive combination of skills, such as financial analysis, information analysis, coding skills, and training in GAAP (Generally Accepted Accounting Principles). The process also requires legal training to understand the related principles and the language used in documentation, and those employed in this field will similarly require an understanding and experience with commercial leases.

There are many reasons why this degree of expertise is recommended for those operating at this level. The company points out that the accounting-specific information gathered during the lease abstraction process is of critical importance. It needs to be accurate, relevant, and summarized in a manner that makes it easier to understand. Moreover, it has to be compliant with any number of important standards. These start with basic principles associated with GAAP practices, but they can also include a number of other standards, such as the ASC 842 (Accounting Standards Codification), IFRS 16 (International Financial Reporting Standards), and the GASB (General Accounting Standards Board).

Several types of software are used in the abstraction process, and they all play an important role. Many complex business leases contain dozens or even hundreds of pages. This represents a significant volume of data, and it all needs to be accessible in one place (often a database) so that personnel from multiple departments can access it. Much of the data contained in a lease is numerical in form, and extracting it and performing the necessary calculations is another critical part of the data collection process. Beyond that, though, any number of calculations are required to track lease transactions. Specialized software can perform these calculations, then present them in a format that is easy to understand and analyze. iLeasePro's post goes into further detail here, discussing more about AI-based platforms and reporting software as well.

At iLeasePro, the team understands every aspect of leasing and knows how to present it in the simplest and most effective format. The company has provided lease accounting software businesses at various stages of growth, and they are more than willing to provide personalized assistance to new clients.

Those interested may visit the company's website or contact the team directly via phone or email to learn more about the services they offer. Inquiries regarding the lease abstraction process and how the company

addresses its challenges may be directed through these platforms as well.

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iLeasePro

Developed by iLease Management LLC, iLeasePro is a cost-effective, intuitive and accurate SaaS lease accounting solution that brings transparency, information sharing capabilities and efficiency to the lease portfolio of lessees.

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