



Lease Accounting (ASC 842) Compliance Checklist 2026

Lease Identification & Scope Assessment

Verify all potential lease agreements, including embedded leases in service contracts, to ensure all relevant contracts are captured under ASC 842 standards.

Contract Reference ID

Lease Type Classification

- ☐ Operating Lease
- ☐ Finance Lease
- ☐ Short-term Lease (≤ 12 months)

Lease Commencement Date

Lease Expiration Date

Embedded Lease Indicators Found

- ☐ Equipment Rental
- ☐ Real Estate Component
- ☐ Software Licensing
- ☐ Vehicle/Fleet Agreement

Original Lease Agreement (PDF)

 Upload File

Scope Assessment Notes & Findings

Write something...

Reviewer Approval Signature



Lease Classification & Term Determination

Analyze contract terms to distinguish between Operating and Finance leases and confirm lease term accuracy including renewal and termination options.

Lease Classification Type

- ☐ Operating Lease
- ☐ Finance Lease

Lease Commencement Date

Enter date...

Lease Expiration Date

Enter date...

Estimated Lease Term (Months)

Enter a number...

Embedded Lease Indicators Present

- ☐ Purchase Option
- ☐ Renewal Option
- ☐ Termination Clause
- ☐ Service Component

Basis for Determining Lease Term

Write something...

Supporting Lease Agreement Documentation

 Upload File

Discount Rate & Incremental Borrowing Rate (IBR) Validation

Document and validate the appropriate discount rate applied to lease payments, ensuring alignment with the incremental borrowing rate or implicit rate.

Date of Lease Commencement or Modification

Applied Incremental Borrowing Rate (IBR) Percentage

Discount Rate Source Type

- ☐ Implicit Rate in Lease
- ☐ Incremental Borrowing Rate (IBR)
- ☐ External Market Benchmark

Basis for Determining the Increable Borrowing Rate

Supporting Documentation (e.g., Bank Rate Quotes or Credit Agreement)

 Upload File

Controller Approval of Rate Application

Lease Liability & Right-of-Use (ROU) Asset Calculation

Recalculate the present value of remaining lease payments and verify the initial measurement of the ROU asset and corresponding lease liability.

Lease Commencement Date

Present Value of Lease Payments

Initial Direct Costs Incurred

Lease Classification

- ☐ Operating Lease
- ☐ Finance Lease

Incremental Borrowing Rate (IBR) Applied

Write something...

Amortization Schedule Supporting Document

 Upload File

Reviewer Approval Signature

Lease Modification & Reassessment Review

Audit all lease modifications, impairments, or changes in lease terms/indices to ensure accurate adjustments to the balance sheet.

Modification or Reassessment Date

Enter date...

Type of Lease Event

- ☐ Lease Modification
- ☐ Lease Term Extension/Termination
- ☐ Change in Lease Payment Terms
- ☐ Change in Lease Incentive
- ☐ Reassessment of Renewal Option

Description of Modification/Event

Write something...

Adjustment Amount to Lease Liability

Enter a number...

Supporting Amendment Documentation



Upload File

Controller Approval Signature

Monthly Accounting & Journal Entry Verification

Review monthly amortization of ROU assets and interest expense recognition to ensure compliance with the amortization schedule.

Accounting Period End Date

Enter date...

Total Lease Amortization Amount Verified

Enter a number...

Total Interest Expense Amount Verified

Enter a number...

Lease Type Reconciliation Status

- ☐ Fully Reconciled
- ☐ Discrepancy Identified
- ☐ Pending Investigation

Supporting Journal Entry Documentation

 Upload File

Controller Approval Signature

Notes on Identified Discrepancies or Adjustments

Write something...

Disclosure & Financial Statement Reporting

Validate quantitative and qualitative disclosures, including weighted-average lease terms and maturity analysis for both operating and finance leases.

Reporting Period End Date

Enter date...

Lease Type Disclosure Category

☐ Operating Lease

☐ Finance Lease

Weighted-Average Lease Term (Months)

Enter a number...

Weighted-Average Discount Rate (%)

Enter a number...

Qualitative Disclosure Notes

Write something...

Final Disclosure Report PDF

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Controller Approval Signature

Data Integrity & Software Reconciliation

Cross-reference lease sub-ledger data with the General Ledger (GL) to ensure zero discrepancies in lease-related accounts.

Reconciliation Completion Date

Sub-ledger Account Reference Number

Total Variance Amount Identified

Reconciliation Status

- ☐ Matched
- ☐ Discrepancy Found
- ☐ Pending Investigation

Discrepancy Investigation Notes

Write something...

GL to Lease Sub-ledger Reconciliation Report

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✓ Finish

 Generate Sample Report