

2026

Software Selection Guide

ASC 842 Lease Accounting

A top-down view of a white desk. In the top left, a portion of a silver laptop is visible, showing keys for 'enter', 'return', and 'shift'. To its right is a small white square pot containing a green succulent and white pebbles. Further right are a pair of black-rimmed glasses. In the bottom left is a white cup filled with dark coffee. To the right of the cup is a silver and black ballpoint pen, uncapped.

The post-transition reality

Now that the initial transition to ASC 842 has passed, the focus for accounting and finance teams has shifted from getting compliant to staying compliant efficiently. Many organizations initially relied on spreadsheets or basic modules to cross the finish line, only to find that those solutions are not sustainable for ongoing compliance – modifications, terminations, and the high-stakes demands of a full audit.

Whether you are looking to replace an underperforming system or move away from manual workbooks, this guide helps you evaluate the next generation of lease accounting technology.

ASC 842: Why ongoing compliance is shaking up finance

For a Technical Accountant, the true challenge of the post-transition phase hits when you look at the sheer data granularity and ongoing maintenance required to manage the balance sheet:



The balance sheet inflation: Under ASC 842, nearly all leases must be recognized as right-of-use (ROU) assets and lease liabilities. This permanent inflation of the balance sheet can catch finance teams off-guard during bank covenant reviews and financial forecasting if not monitored continuously.



The P&L complexity: Unlike other standards where all capitalized leases boost EBITDA via depreciation and interest, ASC 842 preserves a straight-line operating lease expense for most portfolios. This means finance teams must track a complex, blended expense line item that requires precise subledger tracking to prevent P&L presentation errors.



The ongoing modification grind: To keep an accurate ledger, you must constantly track lease renewals, execution of break clauses, and data granularity adjustments across your entire portfolio.



The dual-reporting trap: If your US entity has international subsidiaries or reports up to a global parent company, your accounting comes with an extra layer of complexity. Running parallel Excel workbooks to manage both ASC 842 and IFRS 16 or FRS 102 calculations is highly inefficient. FinQuery eliminates this need by natively supporting dual-jurisdiction calculations simultaneously from a single lease upload.





The ASC 842 compliance audit: Is your current setup right for the job?

Before diving into vendor demos, it is vital to ruthlessly audit your current accounting environment—whether that is a complex matrix of home-grown Excel workbooks or a basic, native ERP module.

If you answer “No” to more than two of the following questions, your current process is exposing the business to significant compliance risk, and it is time to look at a dedicated solution.

1

Ongoing accuracy

Can your current system handle lease modifications or partial terminations without forcing you to rebuild the financial calculation from scratch?

- **The ASC 842 challenge:** Portfolios inevitably grow and change in complexity over time.
- **The risk:** Continuing to use spreadsheets or rigid tools means modifications require rebuilding complex formulas manually. You need an intuitive system with built-in workflows that automate lease variations natively.

2

Audit assurance and internal controls

When your auditors arrive to review your balance sheet, can you instantly provide an unalterable version history and a SOC-validated internal control framework for every asset?

- **The ASC 842 challenge:** Because lease adjustments directly impact your balance sheet liabilities and asset balances, auditors will thoroughly scrutinize your calculations.
- **The risk:** Spreadsheets provide no automated audit trail or version history, leaving you exposed to high audit risks. If an auditor asks for a SOC 1 Type 2 report or a full version history of a specific lease, your system must be able to provide it instantly.

3

Departmental silos and version control

Are department-specific silos trapping your lease data, or do Finance, IT, and Real Estate share a real-time source of truth?

- **The ASC 842 challenge:** Gathering lease updates requires close, ongoing collaboration across multiple teams who handle different aspects of physical contracts.
- **The risk:** Keeping lease documents in one place and accounting schedules in another leads to version control nightmares during audits. Your technical subledger must act as a single, shared repository for all teams.

4

Close speed and disclosure accuracy

Can you produce your complete, ASC 842-compliant lease accounting quantitative disclosure reports in under five minutes?

- **The ASC 842 challenge:** Preparing financial statements requires manual aggregation of complex data points across your entire lease portfolio for every single filing.
- **The risk:** If generating these figures requires hours of manual aggregation and pivot tables, your month- and year-end close processes will stall. Your software must turn disclosure creation into a one-click, out-of-the-box exercise.

Audit-ready tip:

Auditors do not just audit your numbers; they audit the controls around your numbers. Relying on an Excel workbook means your internal controls are inherently weak. Moving to a platform backed by SOC 1 Type 2 reports immediately gives your audit team the institutional confidence they require.

Evaluation matrix: Choosing your ASC 842 compliance path

To help structure your business case and evaluate the market objectively, here is how the three primary lease accounting methods compare across critical compliance and operational metrics:

Feature	Spreadsheets	ERP Lease Modules	LeaseQuery (by FinQuery)
Long-Term Sustainability	Low. Quickly becomes an unmanageable data graveyard as your lease portfolio inevitably evolves.	Moderate. Often feels like a box-ticking exercise by IT rather than a flexible finance tool.	High. Built to natively handle the entire lease lifecycle from Day 1 onward.
Audit Defense & Controls	High Risk. No automated audit trail, clear vulnerabilities, and zero version history.	Complex. Typically requires custom coding or scripting for specific historical audit views.	Built-in. Features immutable, one-click audit trails and full SOC 1 Type 2 reporting assurance.
Handling Complex Variations	Manual. Lease modifications or adjustments require manual formula rebuilding.	Rigid. Requires navigating seven-layer menus just to alter a single operational data point.	Intuitive. Guided, automated workflows designed for renewals, terminations, and adjustments.
The Disclosure Gap	Time-Consuming. Requires manual aggregation and pivot tables for every financial filing.	Incomplete. Many ERP modules still lack dedicated, out-of-the-box ASC 842 disclosure reports.	One-Click. Instantly generates ready-to-file quantitative disclosure reports in seconds.
Source Contract Linkage	None. No direct digital connection between accounting schedules and the legal agreement.	Manual. Requires uploading manual attachments to separate record screens.	100% Traceable. Audit trails where journal entries link directly back to the underlying contract source agreement.
Technical Support	None. Your internal finance team is left to act as their own support line.	IT-Focused. Support desks understand software code, not technical lease accounting logic.	Accountant-Backed. Direct access to a CPA-backed support team who understand the standard intimately.



The business case shortcut:

When presenting your software strategy to the board, remember that the ERP route often carries a hidden expertise tax in the form of specialized IT consultants every time you need to change a journal entry. FinQuery delivers a predictable SaaS cost with zero developer dependencies, ensuring a significantly lower cost of ownership.

Why specialized tech wins the long-term ASC 842 business case

Many CFOs and finance leaders are moving away from all-in-one ERP modules in favor of deep, specialized technical expertise. A dedicated technical subledger eliminates the operational friction that bogs down accounting teams. Here is why specialized technology wins in the long run:



Accountant-first UI (goodbye, ERP screen fatigue): Legacy ERP lease modules are rigid and design-heavy for IT. FinQuery replaces this screen fatigue with an intuitive, point-and-click interface designed specifically for accounting and finance teams to easily manage schedules, asset balances, and entries.



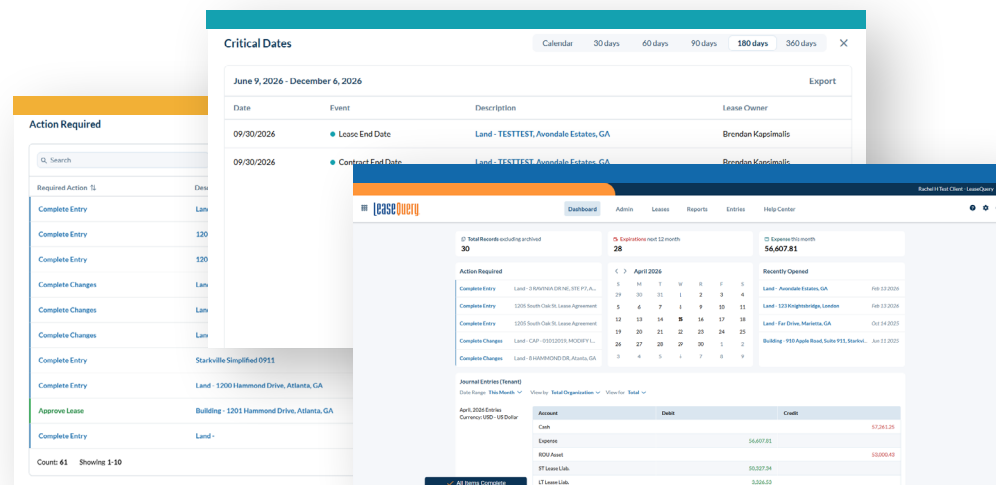
FinQuery Inbox and AI-powered data integrity: Stop manual entry errors before they start. Our proprietary AI, trained on a database of financial source documents, eliminates the hidden inefficiencies of manual data extraction by reading lease agreements, extracting critical parameters, and flagging anomalies.



True GL integration without the IT overhead: Choosing a dedicated platform does not mean sacrificing your single source of truth. FinQuery can integrate with all ERP or Accounting systems. LeaseQuery (by FinQuery) utilizes direct, automated connections to push accurate subledger data straight into your existing GL, ensuring a clean close with limited IT support required.

The ASC 842 software evaluation checklist

Use these eight diagnostic questions to stress-test any potential lease accounting solution to ensure it meets the mathematical and regulatory demands of modern lease accounting:



The image displays three overlapping screenshots of the lease accounting software interface. The top screenshot shows a 'Critical Dates' calendar view for the period June 9, 2026 - December 6, 2026, with filters for 30, 60, 90, 180, and 360 days. The middle screenshot shows an 'Action Required' table with columns for Required Action, Date, and Description. The bottom screenshot shows a dashboard with various financial metrics and reports, including a table for 'Action Required' and a 'Financial Statement' section.

Required Action	Date	Description
Complete Entry	Land	
Complete Entry	120	
Complete Entry	120	
Complete Changes	Land	
Complete Changes	Land	
Complete Changes	Land	
Complete Entry	Starkville Simplified 0911	
Complete Entry	Land - 12001 Hammond Drive, Atlanta, GA	
Approve Lease	Building - 1201 Hammond Drive, Atlanta, GA	
Complete Entry	Land -	

Account	Debit	Credit
Cash		\$1,281.26
Expense	\$6,677.81	
ROU Asset		\$5,396.45
LT Lease Liab.	\$5,327.94	
LT Lease Liab.		\$3,064.03



Does it handle catch-up entry automation?

The technical need: If a lease is entered late or implemented mid-year, the system must automatically correct and calculate the missed activity to eliminate the manual grind.



Is there an immutable, automated audit trail for every single modification?

The technical need: To satisfy internal and external auditors, the system must automatically log who changed a data point, when they changed it, and what the value was, creating an unalterable version history.



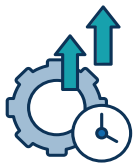
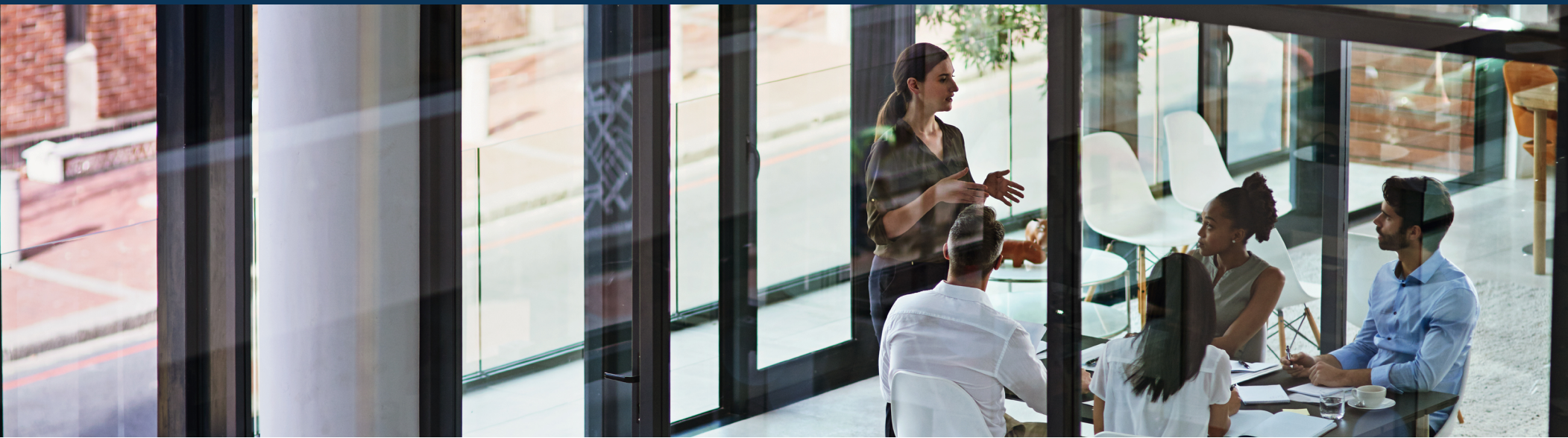
Does it offer true point-in-time snapshot reporting?

The technical need: Audits are rarely static; the software must allow you to see exactly what your books looked like on a specific historical date for better decision support and audit defense.



Can it manage dual-jurisdiction reporting (ASC 842 and IFRS 16 / FRS 102)?

The technical need: Essential if you report under US GAAP locally but answer to an international parent company, or vice versa, requiring parallel schedules from a single contract upload.



How fast can the system generate a complete, audit-ready disclosure note?

The technical need: The system must deliver ready-to-file quantitative disclosures out-of-the-box in seconds; if it is not one-click, you are still doing too much manual spreadsheet aggregation.



What is the guaranteed onboarding and implementation timeline?

The technical need: Don't trade a spreadsheet for a 12-month ERP implementation; look for a specialized platform that guarantees data migration, validation, and a live close setup in three months or less.



Does the system link financial journal entries directly back to the source contract?

The technical need: When an auditor questions a balance sheet entry, you must be able to click that journal entry and immediately see the exact page of the contract it came from.



Do real accountants recognize the platform as a user-experience leader?

The technical need: Check independent validation channels to see if the vendor stays ahead of the curve; LeaseQuery has been a G2 Leader for five consecutive years because we prioritize actual accounting user experience over corporate complexity.

Making the switch: It's easier than you think

Switching from a legacy spreadsheet or an underperforming module doesn't have to disrupt your reporting cycle. The biggest fear for most accountants is having to recreate years of historical data to get an accurate current balance. Our Existing Balance Migration (EBM) solution was built specifically to eliminate that roadblock.

Our process is designed to be pain-free:

- 1 Export your data without recreating history:**
You don't need to dig through years of past lease actions. With our EBM solution, you simply provide your current lease liability and right-of-use (ROU) asset balances via an upload template.
- 2 Start at any point in the lease term:**
Whether you are mid-lease or mid-fiscal year, you have the flexibility to begin your accounting in LeaseQuery whenever you choose, only inputting payment details from your migration date forward.
- 3 Expert migration and automated schedules:**
Our Professional Services team, led by accounting experts, handles the heavy lifting of data validation. Once uploaded, the software automatically generates the amortization schedules and journal entries needed to move forward.
- 4 Review and go-live:**
Confirm your new schedules match your historical data and move forward with confidence, knowing you have a CPA-approved system of record.



About FinQuery

FinQuery is an AI-powered SaaS platform that automates prepaid and accrual accounting, simplifies lease accounting compliance (ASC 842, IFRS 16, GASB 87 & 96, SFFAS 54, and FRS 102), and centralizes financial contract management. Built for accounting and finance teams, FinQuery is trusted by 8,700+ organizations and empowers over 40,000+ professionals to accelerate their close, streamline budgeting and forecasting, and comply confidently. Learn more at [FinQuery.com](https://finquery.com).

