

GASB 87 Scope Guide

Purpose: To help you determine whether the lease is within the scope of GASB 87, answering the first question of the [Lease Accounting Decision Tree](#).

Type of Lease	Included?	GASB 87 Reference/Explanation
Agricultural Leases (crops, orchards, etc.)	Yes	
Air space	No	Excluded paragraph 8(a)
Biological assets (living plants, timber, animals)	No	Specifically excluded paragraph 8(b)
Buildings & Structures	Yes	
Cell Towers	Yes	
Computer Software	No	Specifically excluded paragraph 8(a)
Computers	Yes	
Contracts that transfer ownership	No	Report as a financed purchase per paragraph 19
Copy Machines	Yes	
Equipment (postage, medical, etc.)	Yes	
Grazing leases	No	
Hunting permits	No	Lessee does not have "control of the right to use".
Inventory	No	Specifically excluded paragraph 8(c)
Land used by a single entity	Yes	
Land used by multiple entities	No	Lessee does not have "control of the right to use".
Land Easements	Maybe	Follow decision tree. Many of these leases may not meet the "conveys control fo the right to use" criterion.
Machinery	Yes	
Mining (rights to explore for or to exploit natural resources such as oil, gas, and minerals)	No	Specifically excluded paragraph 8(a)
Patents, Copyrights, Licensing Contracts for Video Recordings, Plays, Manuscripts, and Motion Picture Films	No	Specifically excluded paragraph 8(a)
Right-of-Way	Maybe	Follow decision tree. Many of these leases may not meet the "conveys control fo the right to use" criterion.
Road Use Permits	No	Lessee does not have "control of the right to use".
Service Concession Arrangements	No	Specifically excluded paragraph 8(d), account for under GASB No. 60
Supply contracts (power purchase agreements)	No	Specifically excluded paragraph 8(f)
Vehicles	Yes	Follow decision tree.

Note: This only applies to assets leased to or from non-state agencies. Leases between state agencies should be recorded as an expense or revenue when the payment is made or received.