



FAS Asset Accounting™ for SQL Server

CUSTOMER

The Mills Corporation

CORPORATE PROFILE

Headquarters

Arlington, Virginia

Type of Business

Self-managed REIT that owns, develops, manages and markets retail, shopping and entertainment destinations

Number of Locations

15

Number of Employees

1350+

Annual Tenant Sales

\$3.9 billion

SYSTEM PROFILE

FAS Solutions in Operation

- FAS Asset Accounting™ for SQL Server

FAS and The Mills Corporation: From the Ground Up

The Mills Corporation is a self-managed real estate investment trust (REIT) that owns, develops, leases, manages, and markets 15 retail destinations in 13 states, totalling over 19 million square feet.

Employing more than 1,350, Mills-owned facilities house major department stores, specialty retail outlets; off-price retailers; category-dominant stores; and dining and entertainment options. This type of infrastructure comes with several advantages—namely \$3.9 billion in tenant sales. However, with the accompanying base-building construction, retail tenant build-outs, and intricate SEC and IRS reporting requirements, Mills also has business and financial challenges.

"We operate and manage tens of thousands of assets," said Jonathan Levi, VP of IT and telecom for Mills. "One of our greatest challenges is to maintain growth and keep track of our investments."

Introducing Automation

A former public accountant, Levi joined Mills in 1995. One of his initial tasks was to find an automated accounting and

business finance solution to help track fixed asset inventory records, maintain multiple book balances for each asset, and handle multi-level tax reporting functions. The solution also needed to be scalable to accommodate Mills' changing needs.

Before implementing FAS, Mills' asset accounting and depreciation functions were tedious and time-consuming. At each year-end, the accounting and audit staff had to manually sift through PO's and AP invoices to identify additions, modifications, and retirements to the depreciable asset inventory. SEC and IRS reporting deadlines forced Mills to engage certified auditors to perform depreciation calculations and prepare schedules of the properties' fixed assets—a cost of almost \$150,000/year in professional fees alone.

"It was a rather steep investment for a function we could keep in-house and still perform on a monthly basis," said Levi.

So Levi was charged with finding a cost-effective solution to generate the necessary documents for the accounting department, assist consultants with preparing tax information, and help track

CHALLENGE

Track and manage depreciation for a large volume of fixed assets across multiple locations.

SOLUTION

FAS Asset Accounting for SQL Server—part of FAS Suite, the industry-leading fixed asset management solution.

RESULTS

Reduced tax return preparation time and year-end reporting. Decreased costs associated with external auditors.

"Best really has done everything I expected. Specifically, Best provided comprehensive training that really helped us get started on the right foot, and provided solid technical support and supplemental training as we grew. We have migrated to new platforms and brought on additional staff. That level of up front and on-going customer support is so often overlooked by larger companies that are only interested in completing the original installation and receiving their annual support and maintenance fees."

Jonathan Levi, VP of IT & Telecommunications
The Mills Corporation

asset inventory and depreciation.

"In real estate development, assets are our business, and depreciation is critical," said Levi. "If it's a capital asset, it gets depreciated. We depreciate everything from the base building to parking lots, furniture and fixtures, including restaurant equipment, signage and displays, computers, and various tenant improvements."

Building Solutions

After analyzing the transaction volumes, reporting deadlines, and labor-intensive manual processes, Levi sought an open-platform system that would integrate with Mills' current and future financial accounting/reporting and tax return preparation systems.

Levi and Mills' accountants and tax consultants evaluated several solutions and chose Best Software's FAS, which was initially installed on Mills' Novell NetWare network. But as the company and number of users continued to grow, they upgraded to FAS Asset Accounting *for SQL Server*.

Levi explained, "The architecture on which FAS *for SQL Server* is based is much faster. Plus, it's an open standard, so we are able to build our own integrations to other systems within our network."

For example, Mills' accounting department now electronically transfers tax-basis lists of fixed assets, along with their accumulated depreciation, directly

from FAS to the tax return preparation system. They also formulate summary journal entries that are posted to Mills' G/L system monthly.

Shopping for Results

"Best really has done everything I expected," said Levi. "Specifically, Best provided comprehensive training that really helped us get started on the right foot, and provided solid technical support and supplemental training as we grew. We have migrated to new platforms and brought on additional staff. That level of up front and on-going customer support is so often overlooked by larger companies that are only interested in completing the original installation and receiving their annual support and maintenance fees."

The reporting features available with FAS have also made year-end reporting tasks much smoother. Levi estimates that Mills has cut property tax and depreciation preparation times by nearly 30 percent.

To date, FAS has allowed Mills to spread its workload over the year, drastically reducing year-end audit fees and making it easier to meet reporting deadlines.

"Our portfolio is twice the size it was in 1995—people don't realize the level of capital investment we continue to make. FAS has allowed us to grow without increasing our staff and audit fees proportionally."



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