

Learning Objectives

- Recognize the improvements over the revenue accounting through the release of ASC 606.
- Cite the key changes of the revenue recognition practice compared to legacy GAAP.
- Recognize the impact of the revenue standard on the organizations.
- Identify the applicability of the revenue standard.
- Recognize the steps involved in implementing the new revenue guidelines.
- Identify the presentation and disclosure requirements.
- Recognize the requirements for other revenue topics (e.g., warranties, principal-versus agent, licensing).
- Recognize the indicators for potential misstated revenue recognition
- Identify control activities that reduce the risk of misstatement in revenue.

Part I Fundamentals of the Revenue Standard

- A Uniform Framework
- Rising to the Challenge
- Major Improvements
- Applicability
- Scope and Scope Exceptions
- Collaborative Arrangements
- Key Concepts of ASC 606
- Attributes of a Contract
- Essence of a Performance Obligation
- Determination of the Transaction Price
- Allocation of the Transaction Price
- Recognition of Revenue
- Accounting Policy Elections and Practical Expedients

Part II The Five-Step Revenue Recognition Model

- Step 1: Identify the Contract with a Customer
- Step 2: Identify Performance Obligations
- Step 3: Determine the Transaction Price
- Step 4: Allocate the Transaction Price to Performance Obligations
- Step 5: Recognize Revenue

Part III Other Revenue Topics

- Contract Costs
- Costs to Obtain a Contract
- Costs to Fulfill a Contract
- Warranties
- Licenses of Intellectual Property
- Identification of Performance Obligation
- Determination of the Nature of License

Part IV Presentation and Disclosure

- Presentation
- Contract Asset and Contract Liability
- Accounts Receivable
- Disclosure
- Contract with Customers
- Significant Judgments
- Assets Recognized from the Costs to Obtain or Fulfill a Contract
- SEC Common Letters

Part V- Internal Control over Financial Reporting

- Implications to Internal Controls
- Internal Control over Financial Reporting
- Revenue-Related Issues
- Estimates and Judgment
- Internal Control System
- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring