New Revenue Recognition Standard...
Making it happen.

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Rev Rec – Making it happen: Agenda

Build on and apply framework, as presented in the prior session... get our hands dirty.

KEY OBJECTIVE

Recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that the company receives, or expects to receive, in exchange for these goods or services.

FIVE-STEP PROCESS FOR REVENUE RECOGNITION

1. Identify the contract with customers.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue when each performance obligation is satisfied.

REVENUE RECOGNITION PRINCIPLE

Recognize revenue in the accounting period when the performance obligation is satisfied.
Summary - 5-Step Model

Step 1: Identify the contract with customers.

A contract is an agreement between two parties that creates enforceable rights or obligations. In this case, Boeing has signed a contract to deliver airplanes to Delta.

Step 2: Identify the separate performance obligations in the contract.

Boeing has only one performance obligation—to deliver airplanes to Delta. If Boeing also agreed to maintain the planes, a separate performance obligation is recorded for this promise.

Step 3: Determine the transaction price.

Transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring a good or service. In this case, the transaction price is straightforward—it is $100 million.

Step 4: Allocate the transaction price to the separate performance obligations.

In this case, Boeing has only one performance obligation—to deliver airplanes to Delta.

Step 5: Recognize revenue when each performance obligation is satisfied.

Boeing recognizes revenue of $100 million for the sale of the airplanes to Delta when it satisfies its performance obligation—the delivery of the airplanes to Delta.
New Revenue Recognition - Overview

TW Observations

• Revenue will be recognized when a performance obligation is met (not based on earned and realized).
  • Accommodates both sales of products & services. And addresses multiple deliverable arrangements.
  • Uncertainty about getting paid is measured separately.
• For many arrangements, the accounting results will be the same as under current GAAP.
  • However, for complex arrangements (returns, buybacks, refunds), the new model will create a variety of “Contract” assets and liabilities.
  • Thus, the model is somewhat like the current long-term contract model (% of completion likely to be the same).
Rev Rec – Make it Happen

**Plan for Session**

- Three case sets
  - Table Work
  - Report Out
  - Reflect on application of model.
- Case Set 1 – Concepts & Application
- Case Set 2 – Pot Pourri
- Case Set 3 – Impact on Income Measurement

Slides follow to give a Summary/ Take-away.
Warm-ups (All Tables)
1. Describe the critical factor in evaluating whether a performance obligation is satisfied.
2. Explain the importance of a contract in the revenue recognition process.
3. Briefly describe 1 or 2 of the substantive differences in revenue recognition under ASC 606 versus legacy GAAP.

All Tables

E18-15 (LO3) (Allocate Transaction Price) Appliance Center is an experienced home appliance dealer. Appliance Center also offers a number of services for the home appliances that it sells. Assume that Appliance Center sells ovens on a standalone basis. Appliance Center also sells installation services and maintenance services for ovens. However, Appliance Center does not offer installation or maintenance services to customers who buy ovens from other vendors. Pricing for ovens is as follows.

<table>
<thead>
<tr>
<th>Service</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oven only</td>
<td>$800</td>
</tr>
<tr>
<td>Oven with installation service</td>
<td>850</td>
</tr>
<tr>
<td>Oven with maintenance services</td>
<td>975</td>
</tr>
<tr>
<td>Oven with installation and maintenance services</td>
<td>1,000</td>
</tr>
</tbody>
</table>

In each instance in which maintenance services are provided, the maintenance service is separately priced within the arrangement at $175. Additionally, the incremental amount charged by Appliance Center for installation approximates the amount charged by independent third parties. Ovens are sold subject to a general right of return. If a customer purchases an oven with installation and/or maintenance services, in the event Appliance Center does not complete the service satisfactorily, the customer is only entitled to a refund of the portion of the fee that exceeds $800.

Instructions
(a) Assume that a customer purchases an oven with both installation and maintenance services for $1,000. Based on its experience, Appliance Center believes that it is probable that the installation of the equipment will be performed satisfactorily to the customer. Assume that the maintenance services are priced separately (i.e., the three components are distinct). Identify the separate performance obligations related to the Appliance Center revenue arrangement.
(b) Indicate the amount of revenue that should be allocated to the oven, the installation, and to the maintenance contract.
**E18-20 (LO3) (Sales with Returns)** Organic Growth Company is presently testing a number of new agricultural seeds that it has recently harvested. To stimulate interest, it has decided to grant to five of its largest customers the unconditional right of return to these products if not fully satisfied. The right of return extends for 4 months. Organic Growth estimates returns of 20%. Organic Growth sells these seeds on account for $1,500,000 (cost $750,000) on January 2, 2017. Customers are required to pay the full amount due by March 15, 2017.

**Instructions**

(a) Prepare the journal entry for Organic Growth at January 2, 2017.
(b) Assume that one customer returns the seeds on March 1, 2017, due to unsatisfactory performance. Prepare the journal entry to record this transaction, assuming this customer purchased $100,000 of seeds from Organic Growth.
(c) Assume Organic Growth prepares financial statements quarterly. Prepare the necessary entries (if any) to adjust Organic Growth’s financial results for the above transactions on March 31, 2017, assuming remaining expected returns of $200,000.

**E18-24 (LO3) (Bill and Hold)** Wood-Mode Company is involved in the design, manufacture, and installation of various types of wood products for large construction projects. Wood-Mode recently completed a large contract for Stadium Inc., which consisted of building 35 different types of concession counters for a new soccer arena under construction. The terms of the contract are that upon completion of the counters, Stadium would pay $2,000,000. Unfortunately, due to the depressed economy, the completion of the new soccer arena is now delayed. Stadium has therefore asked Wood-Mode to hold the counters for 2 months at its manufacturing plant until the arena is completed. Stadium acknowledges in writing that it ordered the counters and that they now have ownership. The time that Wood-Mode Company must hold the counters is totally dependent on when the arena is completed. Because Wood-Mode has not received additional progress payments for the counters due to the delay, Stadium has provided a deposit of $300,000.

**Instructions**

(a) Explain this type of revenue recognition transaction.
(b) What factors should be considered in determining when to recognize revenue in this transaction?
(c) Prepare the journal entry(ies) that Wood-Mode should make, assuming it signed a valid sales contract to sell the counters and received at the time the $300,000 deposit.
Economy Appliance Co. manufactures low-price, no-frills appliances that are in great demand for rental units. Pricing and cost information on Economy’s main products are as follows.

<table>
<thead>
<tr>
<th>Item</th>
<th>Standalone Selling Price (Cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerator</td>
<td>$500 ($260)</td>
</tr>
<tr>
<td>Range</td>
<td>560 (275)</td>
</tr>
<tr>
<td>Stackable washer/dryer unit</td>
<td>700 (400)</td>
</tr>
</tbody>
</table>

Customers can contract to purchase either individually at the stated prices or a three-item bundle with a price of $1,800. The bundle price includes delivery and installation. Economy also provides installation (not a separate performance obligation).

**Instructions**

Respond to the requirements related to the following independent revenue arrangements for Economy Appliance Co.

(a) On June 1, 2017, Economy sold 100 washer/dryer units without installation to Laplante Rentals for $70,000. Laplante is a newer customer and is unsure how this product will work in its older rental units. Economy offers a 60-day return privilege and estimates, based on prior experience with sales on this product, 4% of the units will be returned. Prepare the journal entries for the sale and related cost of goods sold on June 1, 2017.

(b) YellowCard Property Managers operates upscale student apartment buildings. On May 1, 2017, Economy signs a contract with YellowCard for 300 appliance bundles to be delivered and installed in one of its new buildings. YellowCard pays 20% cash at contract signing and will pay the balance upon installation no later than August 1, 2017. Prepare journal entries for Economy on (1) May 1, 2017, and (2) August 1, 2017, when all appliances are installed.

(c) Refer to the arrangement in part (b). It would help YellowCard secure lease agreements with students if the installation of the appliance bundles can be completed by July 1, 2017. YellowCard offers a 10% bonus payment if Economy can complete installation by July 1, 2017. Economy estimates its chances of meeting the bonus deadline to be 90%, based on a number of prior contracts of similar scale. Repeat the requirement for part (b), given this bonus provision. Assume installation is completed by July 1, 2017.

(d) Epic Rentals would like to take advantage of the bundle price for its 400-unit project; on February 1, 2017, Economy signs a contract with Epic for 400 bundles. Under the agreement, Economy will hold the appliance bundles in its warehouses until the new rental units are ready for installation. Epic pays 10% cash at contract signing. On April 1, 2017, Economy completes manufacture of the appliances in the Epic bundle order and places them in the warehouse. Economy and Epic have documented the warehouse arrangement and identified the units designated for Epic. The units are ready to ship, and Economy may not sell these units to other customers. Prepare journal entries for Economy on (1) February 1, 2017, and (2) April 1, 2017.
Rev Rec – Make it Happen – Case Set 2

P18-4 (LO2,3,4) (Allocate Transaction Price, Discounts, Time Value) Economy Appliance Co. manufactures low-price, no-frills appliances that are in great demand for rental units. Pricing and cost information on Economy’s main products are as follows.

<table>
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</thead>
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PRACTICE PROBLEM

Outback Industries manufactures emergency power equipment. Its most popular generator is a model called the E-Booster, which has a retail price of $1,500 and costs Outback $740 to manufacture. It sells the E-Booster on a standalone basis directly to businesses, as well as provides installation services. Outback also distributes the E-Booster through a consignment agreement with Home Depot. Income data for Outback’s first quarter of 2017 from operations other than the E-Booster generator are as follows.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$6,500,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>4,350,000</td>
</tr>
</tbody>
</table>

Outback has the following information related to four E-Booster revenue arrangements during the first quarter of 2017.

1. Outback entered into an arrangement with the Grocers Co-op in eastern Minnesota to deliver E-Boosters for the meat lockers in the grocers’ stores. Outback provides a 5% volume discount for E-Boosters purchased by Grocers Co-op if at least $450,000 of E-Boosters are purchased during 2017. By March 31, 2017, Outback has made sales of $360,000 (1,500 x 240 generators) to Grocers Co-op. Based on prior experience with this promotion in two neighboring states, the discount threshold is met for the year if more than one-half of the target had been met by mid-year.

2. On January 1, 2017, Outback sells 20 E-Boosters to Nick’s Liquors. Nick’s signs a 6-month note due in 6 months at an annual interest rate of 12%. Outback allows Nick’s to return any E-Boosters that it cannot use within 120 days and receive a full refund. Based on prior experience, Outback estimates that three units will be returned (using the most likely outcome approach). Outback’s costs to recover the products will be immaterial, and the returned generators are expected to be resold at a profit. No E-Boosters have been returned as of March 31, 2017, and Outback still estimates that three units will be returned in the future.

3. Outback sells 30 E-Boosters to a community bank in the Florida Keys, to provide uninterrupted power for bank branches with ATMs, for a total contract price of $50,000. In addition to the E-Boosters, Outback also provides installation at a standalone selling price of $200 per E-Booster; the cost to Outback to install is $150 per E-Booster. The E-Boosters are delivered and installed on March 1, 2017, and full payment is made to Outback.

4. Outback ships 300 E-Boosters to Home Depot on consignment. By March 31, 2017, Home Depot has sold three-fourths of the consigned merchandise at the listed price of $1,500 per unit. Home Depot notifies Outback of the sales, retains an 8% commission, and remits the cash due to Outback.

Instructions
(a) Determine net income for Outback Industries for the first quarter of 2017. (Ignore taxes.)
(b) In reviewing the credit history of Nick’s Liquors, Outback has some concerns about the collectibility of the full amount due on the note. Briefly discuss how collectibility of the note affects revenue recognition and income measurement for Outback.
1. Sales revenue $  
   Cost of goods sold _______  
   Gross profit $ _______ (1) 

2. Sales revenue  
   Less: Estimated returns _______  
   Net sales _______  
   Cost of goods sold _______  
   Gross profit _______  
   Interest revenue _______  
   Net income on this arrangement _______ (2) 

3. (The total transaction price of $50,000 is allocated between the equipment and installation.) 
   Sales revenue $  
   Cost of goods sold _______  
   Gross profit _______  
   Installation revenue _______  
   Installation expense _______  
   Net profit _______  
   Net income on this arrangement _______ (3) 

4. Sales revenue  
   Cost of goods sold _______  
   Gross profit _______  
   Commission expense _______  
   Net income on this arrangement _______ (4) 

Net income on E-Booster $ (1 + 2 + 3 + 4)
Step 1 – Identify Contracts

- Identify contract with customer
  - A **contract** is an agreement between two or more parties that creates enforceable rights or obligations.

<table>
<thead>
<tr>
<th>Apply Revenue Guidance to Contracts If:</th>
<th>Disregard Revenue Guidance to Contracts If:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The contract has commercial substance;</td>
<td>• The contract is wholly unperformed, and</td>
</tr>
<tr>
<td>• The parties to the contract have approved the contract and are committed to perform their respective obligations;</td>
<td>• Each party can unilaterally terminate the contract without compensation.</td>
</tr>
<tr>
<td>• The company can identify each party’s rights regarding the goods or services to be transferred; and</td>
<td></td>
</tr>
<tr>
<td>• The company can identify the payment terms for the goods and services to be transferred.</td>
<td></td>
</tr>
</tbody>
</table>

- Contracts can be written, oral, or implied from customary business practice. *Note, if uncertainty on collectibility, may conclude that parties cannot live up to the contract – model does not apply.*
Step 2 – Identify Performance Obligations

Accounting is straightforward when an arrangement has only one performance obligation.

- If more than one performance obligation...
  - must evaluate whether the performance obligation is highly dependent on, or interrelated with, other promises in the contract.
  - If not, then each performance obligation should be accounted for separately.
- Conversely, if each of the services is interdependent and interrelated, these services are combined and accounted for as one performance obligation.

  e.g., an automobile is sold at a price that includes six months of services such as navigation and remote diagnostics. These services are regularly sold on a standalone basis for a monthly fee. After the six-month period, the customer can renew these services on a fee basis. In this case, two performance obligations exist, one related to providing the automobile and the other the telematics services.

That is, both elements are distinct (they can be sold separately) and are not interdependent... therefore, there are two performance obligations.
Step 3 – Determine Transaction Price

The **transaction price** is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services.

In many cases, transaction price is often easily determined because the customer agrees to pay a fixed amount to the company over a short period of time. In other contracts, companies must consider the following factors.

- Variable consideration
- Time value of money
- Noncash consideration
- Consideration paid or payable to the customer
Step 3 – Determine Transaction Price

• **Variable Consideration**
  • Price of a good or service is dependent on future events. These future events might include discounts, rebates, credits, performance bonuses, or royalties.
  • Estimate the transaction price using expected cash flow concepts (CON 7).

Recognize variable consideration only if
  (1) have experience with similar contracts and are able to estimate the cumulative amount of revenue, and
  (2) based on experience, do not expect a significant reversal of revenue previously recognized (similar to current GAAP).

Example…
Step 3 – Determine Transaction Price

Example

ESTIMATING VARIABLE CONSIDERATION

Facts: Peabody Construction Company enters into a contract with a customer to build a warehouse for $100,000, with a performance bonus of $50,000 that will be paid based on the timing of completion. The amount of the performance bonus decreases by 10% per week for every week beyond the agreed-upon completion date. The contract requirements are similar to contracts that Peabody has performed previously, and management believes that such experience is predictive for this contract. Management estimates that there is a 60% probability that the contract will be completed by the agreed-upon completion date, a 30% probability that it will be completed 1 week late, and only a 10% probability that it will be completed 2 weeks late.

Question: How should Peabody account for this revenue arrangement?

Solution: The transaction price should include management’s estimate of the amount of consideration to which Peabody will be entitled. Management has concluded that the probability-weighted method is the most predictive approach for estimating the variable consideration in this situation:

\[
\begin{align*}
60\% \text{ chance of } $150,000 &= $90,000 \\
30\% \text{ chance of } $145,000 &= 43,500 \\
10\% \text{ chance of } $140,000 &= 14,000 \\
\text{Total} &= \$147,500
\end{align*}
\]

Thus, the total transaction price is $147,500 based on the probability-weighted estimate. Management should update its estimate at each reporting date. Using a most likely outcome approach may be more predictive if a performance bonus is binary (Peabody either will or will not earn the performance bonus), such that Peabody earns either $50,000 for completion on the agreed-upon date or nothing for completion after the agreed-upon date. In this scenario, if management believes that Peabody will meet the deadline and estimates the consideration using the most likely outcome, the total transaction price would be $150,000 (the outcome with 60% probability).
Step 3 – Determine Transaction Price

• **Time value of money** - when a sales transaction involves a significant financing component (i.e., interest is accrued on consideration to be paid over time), the fair value is determined either by measuring the consideration received or by discounting the payment using an imputed interest rate.

• **Noncash consideration** - receive consideration in the form of goods, services, or other noncash consideration. When these situations occur, **companies generally recognize revenue on the basis of the fair value of what is received.**

• **Consideration paid or payable to the customer** - includes discounts, volume rebates, coupons, free products, or services. In general, these elements reduce the consideration received and the revenue to be recognized.
Step 4 – Allocate the Transaction Price to Performance Obligations

• If more than one performance obligation (increasingly common with multi-element arrangements), the transaction price must be allocated to the performance obligations.

• As in current GAAP (VSOE), the transaction price allocated to the various performance obligations is based on their relative fair values.

• The best measure of fair value is what the company could sell the good or service for on a standalone basis, referred to as the standalone selling price. If this information is not available, companies should use their best estimate of what the good or service might sell for as a standalone unit...
Step 5 – Recognizing Revenue When (or as) Each Performance Obligation Is Satisfied

- A company satisfies a performance obligation (and recognizes revenue) when the customer obtains control of the good or service.
  - Change in control is key (conforms to definition of an asset). That is, the customer controls the product or service when it has the ability to direct the use of and obtain substantially all the remaining benefits from the asset or service. Control also includes the customer’s ability to prevent other companies from directing the use of, or receiving the benefits, from the asset or service.

**Indicators…**

1. The company has a right to payment for the asset.
2. The company has transferred legal title to the asset.
3. The company has transferred physical possession of the asset.
4. The customer has significant risks and rewards of ownership.
5. The customer has accepted the asset.

*(Very similar to SAB 101/104 guidance)*
Step 5 – Recognizing Revenue When (or as) Each Performance Obligation Is Satisfied

Companies satisfy performance obligations either at a **point in time** or **over a period of time**.

- Point in time recognition is straight-forward.
- Companies recognize revenue over a period of time if the customer receives and consumes the benefits as the seller performs and one of the following two criteria is met.
  1. The customer controls the asset as it is created or enhanced (e.g., a builder constructs a building on a customer’s property).
  2. The company does not have an alternative use for the asset created or enhanced (e.g., an aircraft manufacturer builds specialty jets to a customer’s specifications) and either (a) the customer receives benefits as the company performs and therefore the task would not need to be re-performed, or (b) the company has a right to payment and this right is enforceable.

Thus, over time recognition is quite similar to current GAAP for long-term contracts… new guidance can be applied to broader set of revenue arrangements.
### Summary - 5-Step Model

<table>
<thead>
<tr>
<th>Step in Process</th>
<th>Description</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Identify the contract with customers.</td>
<td>A contract is an agreement that creates enforceable rights or obligations.</td>
<td>A company applies the revenue guidance to contracts with customers and must determine if new performance obligations are created by a contract modification.</td>
</tr>
<tr>
<td>2. Identify the separate performance obligations in the contract.</td>
<td>A performance obligation is a promise in a contract to provide a product or service to a customer. A performance obligation exists if the customer can benefit from the good or service on its own or together with other readily available resources.</td>
<td>A contract may be comprised of multiple performance obligations. The accounting for multiple performance obligations is based on evaluation of whether the product or service is distinct within the contract. If each of the goods or services is distinct, but is interdependent and interrelated, these goods and services are combined and reported as one performance obligation.</td>
</tr>
<tr>
<td>3. Determine the transaction price.</td>
<td>The transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services.</td>
<td>In determining the transaction price, companies must consider the following factors: (1) variable consideration, (2) time value of money, (3) noncash consideration, and (4) consideration paid or payable to customer.</td>
</tr>
<tr>
<td>4. Allocate the transaction price to the separate performance obligations.</td>
<td>If more than one performance obligation exists, allocate the transaction price based on relative fair values.</td>
<td>The best measure of fair value is what the good or service could be sold for on a standalone basis (standalone selling price). Estimates of standalone selling price can be based on (1) adjusted market assessment, (2) expected cost plus a margin approach, or (3) a residual approach.</td>
</tr>
<tr>
<td>5. Recognize revenue when each performance obligation is satisfied.</td>
<td>A company satisfies its performance obligation when the customer obtains control of the good or service.</td>
<td>Companies satisfy performance obligations either at a point in time or over a period of time. Companies recognize revenue over a period of time if (1) the customer controls the asset as it is created or the company does not have an alternative use for the asset, and (2) the company has a right to payment.</td>
</tr>
</tbody>
</table>
Revenue Recognition – Other Issues

• Application of the new model to arrangements commonly found in practice (summary on next slide).
  - Right of return
  - Repurchase agreements
  - Bill and hold
  - Principal-agent relationships
  - Consignments
  - Warranties
  - Nonrefundable upfront fees

In general, answers under new standard are the same as in GAAP. May recognize some new contract assets and liabilities.
# Revenue Recognition – Other Issues

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<tr>
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<td>Right of return</td>
<td>Return of product by customer (e.g., due to dissatisfaction with the product in exchange for refunds, a credit against amounts owed or that will be owed, and/or another product in exchange.)</td>
<td>Seller may recognize (a) an adjustment to revenue for the products expected to be returned, (b) a refund liability, and (c) an asset for the right to recover the product.</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>Seller has an obligation or right to repurchase the asset at a later date.</td>
<td>Generally, if the company has an obligation or right to repurchase the asset for an amount greater or equal to its selling price, then the transaction is a financing transaction.</td>
</tr>
<tr>
<td>Bill and hold</td>
<td>Result when the buyer is not yet ready to take delivery but does take title and accept billing.</td>
<td>Revenue is recognized depending on when the customer obtains control of that product.</td>
</tr>
<tr>
<td>Principal-agent</td>
<td>Arrangement in which the principal’s performance obligation is to provide goods or perform services for a customer. The agent’s performance obligation is to arrange for the principal to provide these goods or services to a customer.</td>
<td>Amounts collected on behalf of the principal are not revenue of the agent. Instead, revenue for the agent is the amount of the commission it receives. The principal recognizes revenue when the goods or services are sold to a third-party customer.</td>
</tr>
<tr>
<td>Consignments</td>
<td>A principal-agent relationship in which the consignor (manufacturer or wholesaler) ships merchandise to the consignee (dealer), who is to act as an agent for the consignor in selling the merchandise.</td>
<td>The consignor recognizes revenue only after receiving notification of the sale and the cash remittance from the consignee (consignor earns the merchandise as inventory throughout the consignment). The consignee records commission revenue (usually some percentage of the selling price).</td>
</tr>
<tr>
<td>Warranties</td>
<td>Warranties can be assurance-type (product meets agreed-upon specifications) or service-type (provides additional service beyond the assurance-type warranty).</td>
<td>A separate performance obligation is not recorded for assurance-type warranties (considered part of the product). Service-type warranties are recorded as a separate performance obligation. Companies should allocate a portion of the transaction price to service type-warranties, when present.</td>
</tr>
<tr>
<td>Nonrefundable upfront fees</td>
<td>Upfront payments generally relate to initiation, activation, or setup activities for a good or service to be delivered in the future.</td>
<td>The upfront payment should be allocated over the periods benefited.</td>
</tr>
</tbody>
</table>
Summary

• After years of hard work the FASB and IASB have issued new guidance for revenue recognition.
  • Conceptually sound, based on accounting for assets and liabilities in revenue arrangements (contractual elements).
  • The five-step model represents a robust framework for recognizing revenue that arises in a wide range of revenue transactions.
  • May not see that much of change in accounting outcomes, however the process will change – and be adaptable to new revenue arrangements.

Questions?