



MAY 5-7, 2025



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Optimizing Revenue Recognition Processes with Sage Intacct

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Session Agenda

- Revenue Management Core Features
- Revenue Recognition Template Options
- Order Entry Workflows to Optimize Revenue Recognition
- Manage Revenue Schedules
- Deferred Revenue Reporting Options
- Demonstration of Revenue Recognition with Projects and Grants



By the end of this session, you will be able to

- Understand the available revenue recognition methods
- Create revenue recognition templates and apply them to transactions
- Link revenue recognition to the progress of your Projects and Grants
- Create order entry workflows to fit your specific needs
- Edit revenue recognition amortization
- Utilize reporting to provide visibility to leadership and audit



What is Revenue Management in Sage Intacct?

An advanced module to assist with **tracking and recording revenue over time** based on a project's life or as the project is completed.



Why is Revenue Recognition Important to you?

- Accounting standards, ASC 958-605 and ASC 606, provide strict guidelines on how organizations should recognize their revenue.
- Non-profits need to identify revenue as either a **contribution** (conditional or unconditional) or an **exchange** and follow the appropriate guidelines.
- It's important for organizations to provide auditors their revenue schedules.



Core features of Revenue Management

- Save time with **automated revenue tracking** and avoid using spreadsheets.
- Reduce errors and cater standard revenue recognition methods to help **stay in compliance** with accounting standards
- Flexible revenue recognition templates to streamline deferrals
- Review, edit and post revenue recognition in a **central location**.
- **Support audit and improve accuracy** with real time deferred revenue reporting and forecasting
- Integrates with Order Entry, Projects/Grants & Salesforce



Accounts Receivable or Order Entry?

Revenue Management is a separate subscription that operates with AR and Order entry.

- Accounts Receivable
 - Straight-line Amortization
 - Percent Complete & Milestone recognition requires manual updates
- Order Entry - Preferred Option
 - Links with Projects and Grants module
 - Automates Percent Complete & Milestone recognition
 - Integrates with Salesforce
 - Event-based recognition – i.e., when conditions are met / delivered
 - Separate revenue recognition and billing





Order Entry Terminology

- Transaction Definitions – workflow and accounting treatment
- Items = Billing Codes
- GL Group – Associates Items with a GL account
- Recurring schedules – installment billings
- Price lists – set prices for items - optional

Transaction definitions: Order Entry

All ▼ Manage views ▼ ☐ Include inactive ☒ Display workflows

Template name ▼

Edit	View		Sales-Quote
Edit	View		Sales-Order
Edit	View		Sales-Revenue Activation
Edit	View		Sales-Invoice



What is a Revenue Recognition Template?

A Rev. Rec. templates defines how you want to defer and amortize revenue as you deliver on services.

- Create any number of templates to accommodate all your revenue streams
- Edit revenue recognition templates as requirements change.
 - does not apply retroactively to amortizations already posted
- Inactivate templates no longer needed
- Customizable options
 - Methodology
 - Frequency of Recognition i.e., monthly vs quarterly
 - Fixed period vs contract term
 - Recognition resume treatment
 - Recognition start date – transaction date vs user-specified
 - Automatic vs Manual posting



Revenue Recognition Method Choices

- **Straight-line** - Revenue is allocated evenly over the recognition term.
 - Pro-rated options – Partial period allocation options based on daily rate, percent of total days or exact days in a period.
- **Percent Complete** - Revenue is recognized based on a project's percentage of completion
- **Milestone** - Revenue is recognized based on pre-determined project milestones

Revenue Recognition Template- Straight Line examples

Method	Mar 31	Apr 30	May 31	Jun 30	Calculation
Straight line	1,500.00	1,500.00	1,500.00	1,500.00	$6,000.00 / 4 = 1,500.00$
Straight line percent allocation	500.00	2,000.00	2,000.00	1,500.00	<p>Partial periods: $5 + 15 = 20$, $5 = 25\%$ of 20, $15 = 75\%$ of 20</p> <p>Full periods: $6,000.00 / 3 = 2,000.00$</p> <p>$2,000.00: 25\% = 500.00$, $75\% = 1,500.00$</p>
Straight line, prorate exact days	370.35	2,259.30	2,259.30	1,111.05	<p>$6,000.00 / 81 \text{ days} = 74.07$</p> <p>$74.07 \times 5 = 370.35$</p> <p>$74.07 \times 15 = 1,111.05$</p> <p>$370.35 + 1,111.05 = 1,481.40$</p> <p>$(6,000.00 - 1,481.40) / 2 \text{ full periods} = 2,259.30$</p>
Exact days per period, prorate days	370.37	2,222.22	2,296.30	1,111.11	<p>$6,000.00 / 81 \text{ days} = 74.07$</p> <p>$74.07 \times \text{number of days in each period}$</p> <p>Example: $74.07 \times 5 = 370.37$, $74.07 \times 30 = 2,222.22$, and so on.</p>

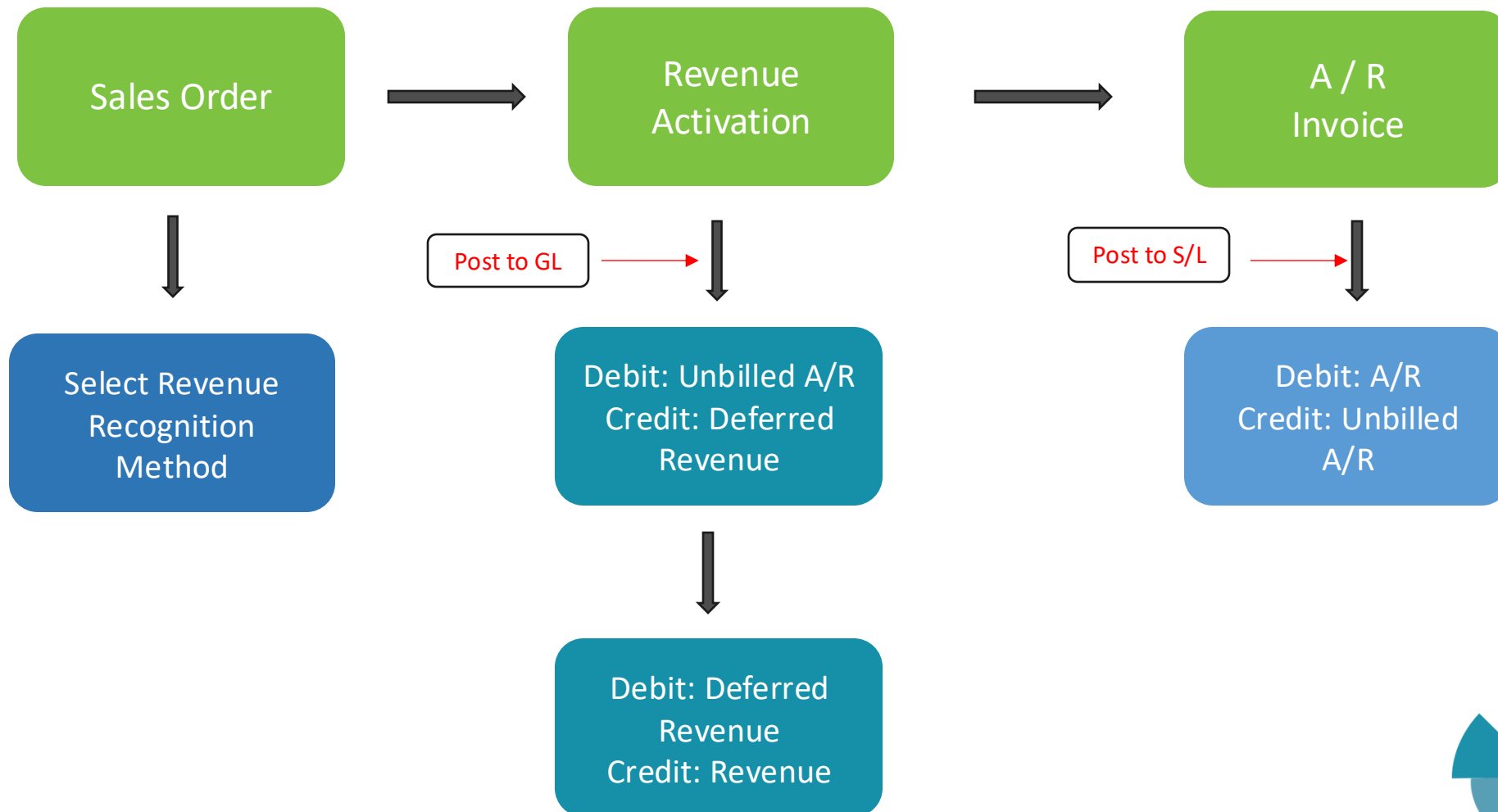


Revenue Rec. Templates: **Percent Completed and Milestone**

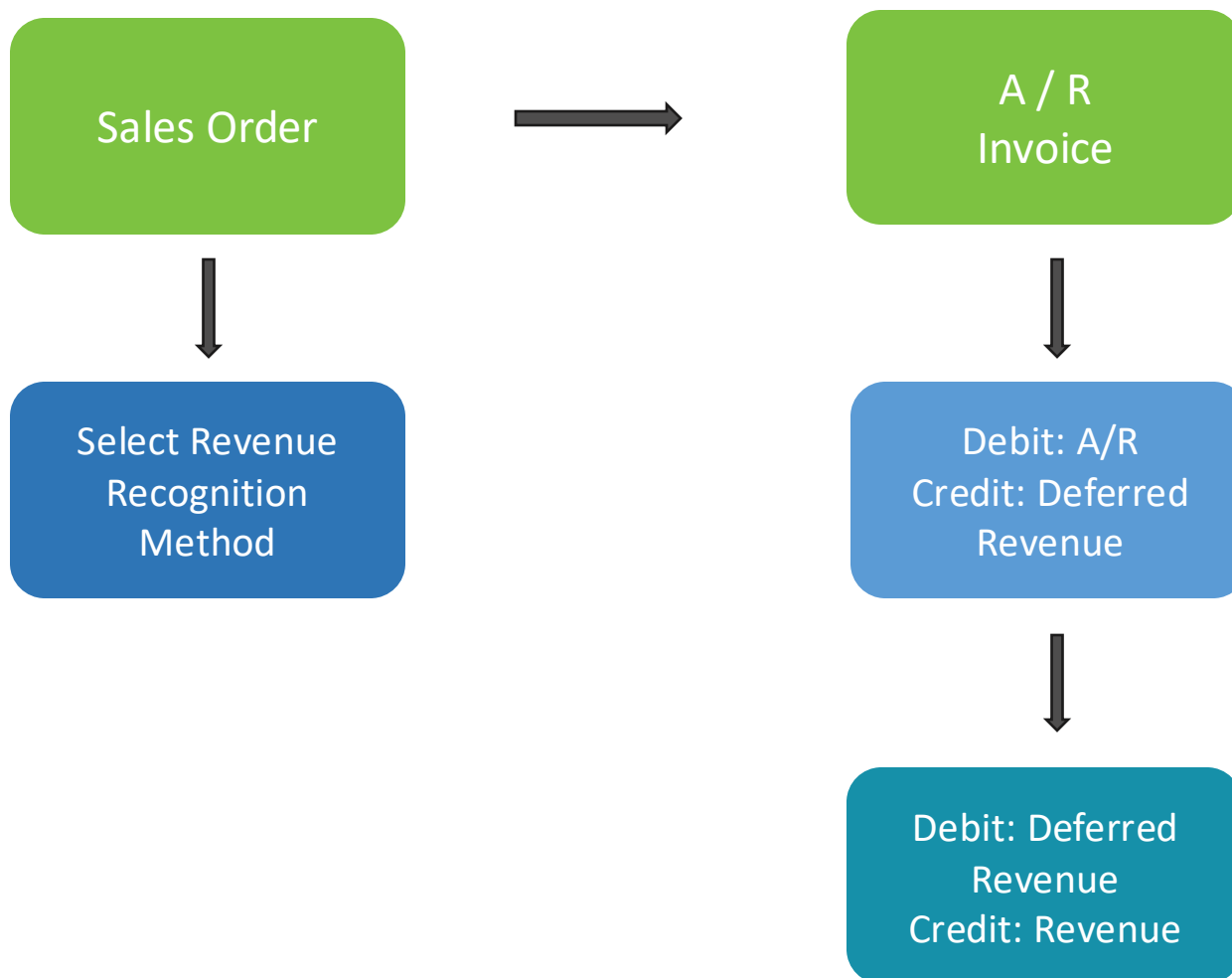
Calculate revenue based on...

- **Observed percent complete** – user defined percentages and dates
- **Estimated or Planned hours** – uses actual hours approved and budgeted hours to compute percent complete
- **Budgeted costs** – uses budgeted costs from either the project summary or GL budget to compute percent complete (not available for milestone)

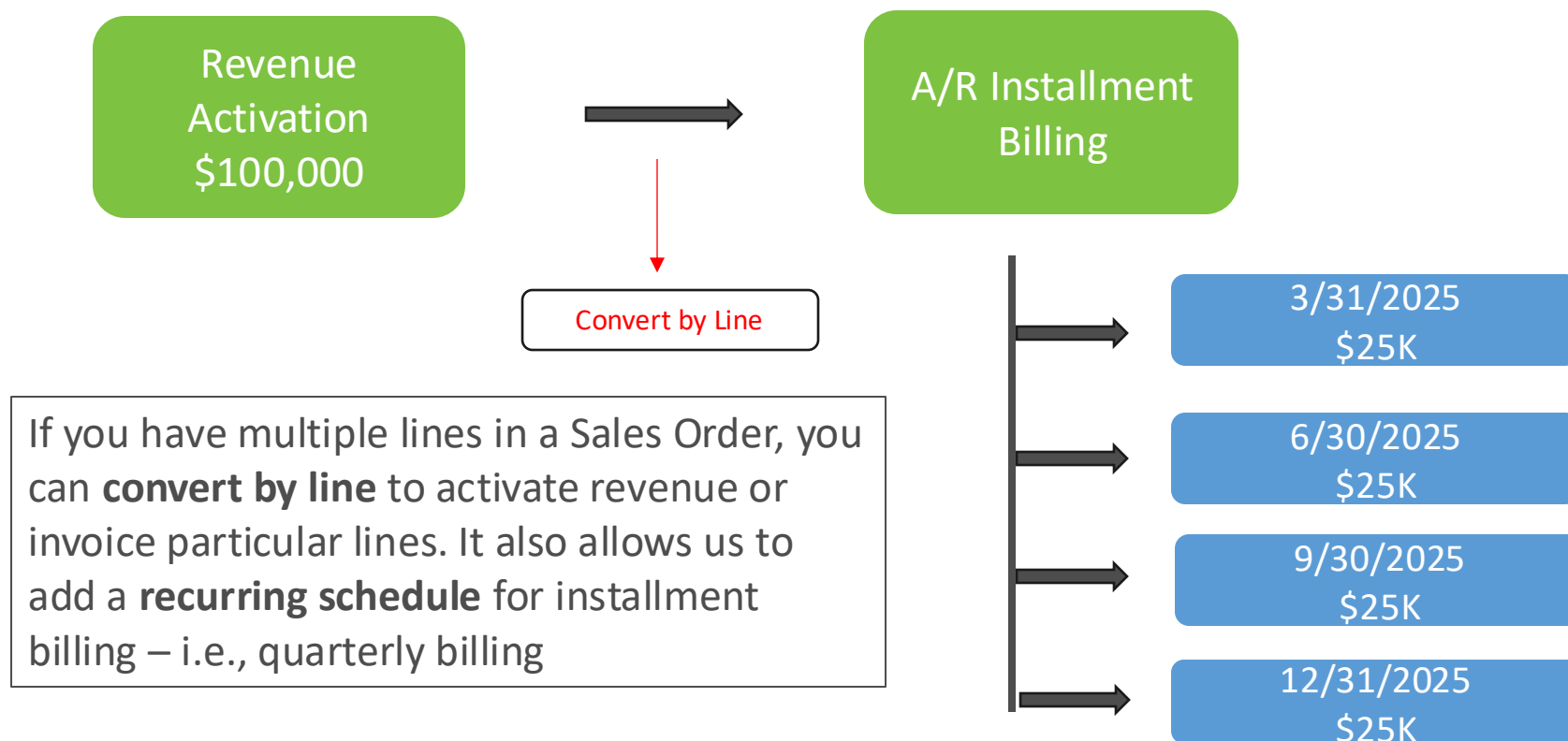
Example Order Entry Workflow for Revenue Recognition



Example Order Entry Workflow for Revenue Recognition



Example Installment / Recurring Billing



Manage Revenue Schedules

- Bulk review and post revenue recognition entries for month end
- Edit revenue amounts and dates for straight line recognition
- Place revenue recognition on hold for any given transaction and resume when applicable

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Order Entry

Q Search

Manage revenue schedules

Preview

Post

Cancel

More actions

Options

Action *

Post

Revenue posts on or before

04/30/2025

Filters

Filtered schedules

Items selected 0

	<div><input type="checkbox"/></div>	Line no.	Customer	Source transaction	Next posting date	Item	Delivery status	Delivery date	Schedule status	Posting method	Start date	End date	Total amount	Amount recognized	Amount deferred	Amount terminated	Next posting amount
		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
1	<div><input type="checkbox"/></div>	1	C00001--New York County	Sales-Revenue Activation-SR-00013	04/30/2025	Contribution--Contribution	Delivered	04/21/2025	Not started	Manual	04/21/2025	03/31/2026	\$1,200.00	\$0.00	\$1,200.00	\$0.00	\$400.00
2	<div><input type="checkbox"/></div>	1	C00001--New York County	Sales-Revenue Activation-SR-00014	04/30/2025	Contribution--Contribution	Delivered	04/21/2025	Not started	Manual	04/21/2025	03/31/2026	\$1,200.00	\$0.00	\$1,200.00	\$0.00	\$400.00
3	<div><input type="checkbox"/></div>	1	C00001--New York County	Sales-Revenue Activation-SR-00015	04/30/2025	Contribution--Contribution	Delivered	05/01/2025	Not started	Manual	04/21/2025	04/30/2026	\$12,000.00	\$0.00	\$12,000.00	\$0.00	\$4,000.00
4	<div><input type="checkbox"/></div>	2	C00001--New York County	Sales-Revenue Activation-SR-00015	04/30/2025	Contribution--Contribution	Delivered	<div>Show details (Ctrl + Down arrow)</div>		Manual	04/21/2025	04/30/2026	\$12,000.00	\$0.00	\$12,000.00	\$0.00	\$4,000.00
5	<div><input type="checkbox"/></div>	1	C00003--Tri-State Gifts	Sales-Revenue Activation-SR-00012	04/15/2025	Project Planning--Project Planning	Delivered	04/15/2025	Not started	Manual	04/15/2025	--	\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$625.00
6	<div><input type="checkbox"/></div>	1	C00003--Tri-State Gifts	Sales-Revenue Activation-SR-00007	--	Project Planning--Project Planning	Delivered	04/14/2025	Not started	Manual	04/14/2025	--	\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00

Deferred Revenue Standard Reporting

- Details:

Customer ID	Customer name	Base amount	Amount deferred	Amount recognized	Amount paid
C00003	Tri-State Gifts	10,000.00	8,750.00	1,250.00	0.00
	Grand total	10,000.00	8,750.00	1,250.00	0.00

- Forecast: Shows posted and/or unposted revenue transactions in a monthly format

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Order Entry

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Deferred revenue forecast report

Customer name	Customer ID	Open	Apr-25	May-25	Jun-25	Total
Long Island Fund	C00002	5,000.00	0.00	0.00	0.00	5,000.00
New York County	C00001	0.00	8,800.00	8,800.00	8,800.00	26,400.00
Tri-State Gifts	C00003	7,500.00	1,875.00	625.00	0.00	10,000.00
Grand total		12,500.00	10,675.00	9,425.00	8,800.00	41,400.00



Demo Core Features of Sage Intacct Revenue Recognition



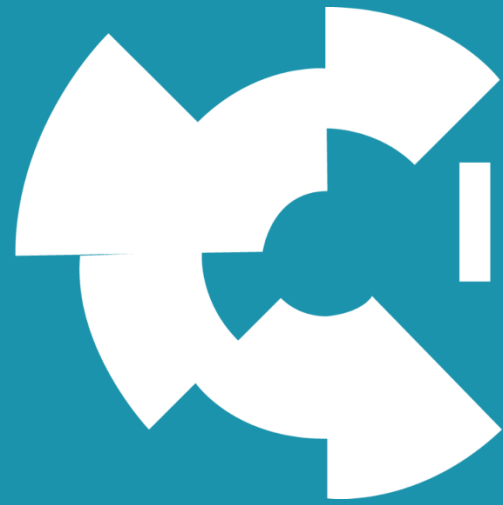
In conclusion....

Revenue Recognition with Sage Intacct can help you..

- save time and manual effort
- eliminate spreadsheets
- improve accuracy and consistency
- improve financial visibility
- assist with audits

by utilizing..

- automated revenue schedules
- pre-defined recognition templates
- a central location to edit and post recognition in bulk
- real-time reporting
- audit trails



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