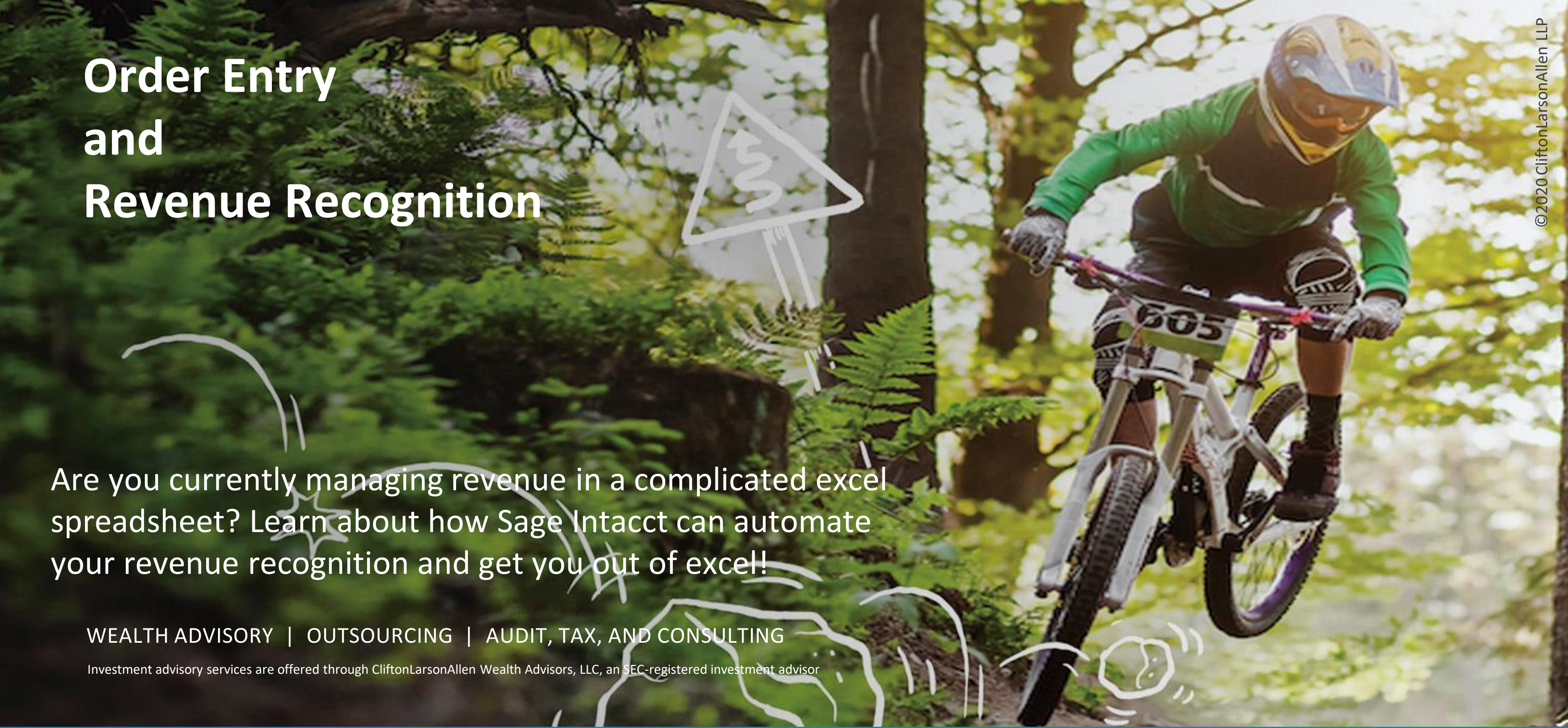


Order Entry
and
Revenue Recognition

Are you currently managing revenue in a complicated excel spreadsheet? Learn about how Sage Intacct can automate your revenue recognition and get you out of excel!

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Presented by Debbie Marsh
Senior Consultant, Sage Intacct Implementation

Create Opportunities

Session Objectives

At the end of this session, you will be able to:

1. Understand the differences between the accounts receivable (AR) module and order entry (OE) module
2. How to configure the order entry module
3. What different recognition methods can be used
4. How to apply the recognition template to transactions
5. How to manage revenue recognition schedules
6. The reporting associated with revenue recognition schedules
7. Manage billing schedules that are not in align with revenue recognition schedules

What are we solving for?

- Excel spreadsheets!
  - Risks related to formulas/human errors
  - Massive files to manage
  - Version control and security issues
  - No system reporting
  - No audit control or record
  - No linkage of Excel directly to GL balances or Sales Orders/Invoices

Question 1: AR vs. Order Entry, what can be done?

- Accounts Receivable
  - Deferral of Revenue
  - Amortization of Revenue
  - Standard Reports

- Order Entry
  - Deferral of Revenue
  - Amortization of Revenue
  - Delivery (Fulfillment)
  - Renewals
  - Links to Project dimension
  - Separate Billing and Revenue
  - Supports integrations (SFDC)
  - Standard Reports

Question 2: How do we set it up?

Configure Revenue Management

Accounts Receivable

Revenue Recognition

- (●) Standard revenue recognition
- ( ) No revenue recognition

Default deferred revenue account *

20701--Deferred Revenue

Revenue recognition journal *

RR--Revenue Recognition

- [x] Edit revenue schedules

Order Entry

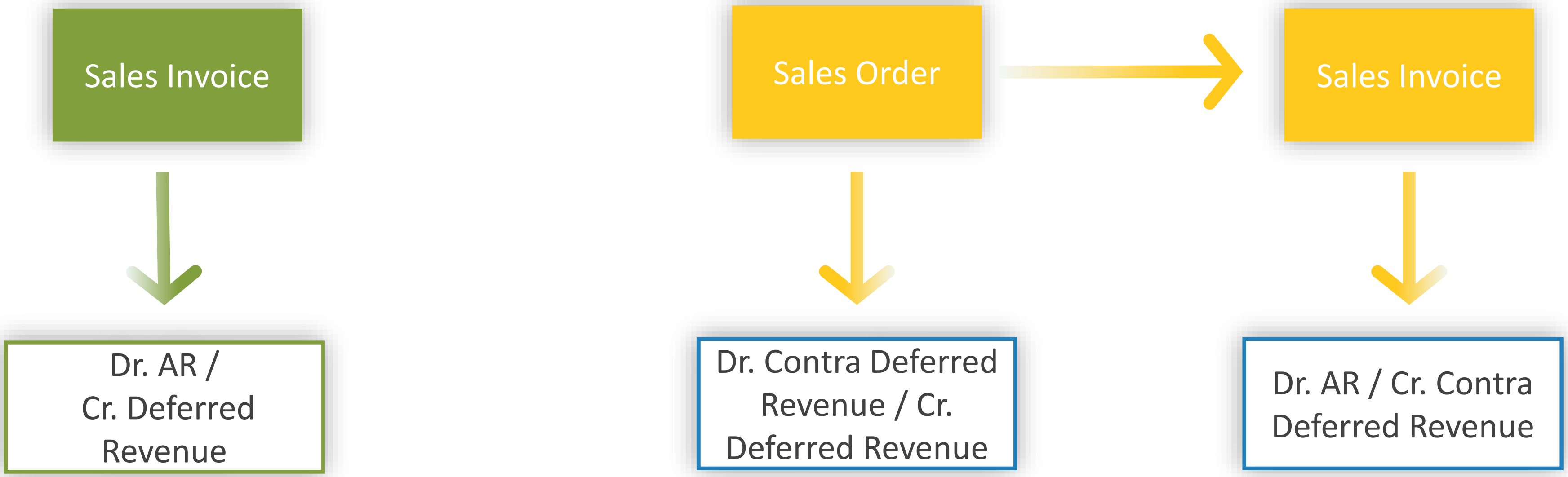
Revenue Recognition

- (●) Standard revenue recognition
- ( ) Advanced revenue recognition (includes MEA)
- ( ) No revenue recognition

- [x] Edit revenue schedules
- [x] Event-based recognition

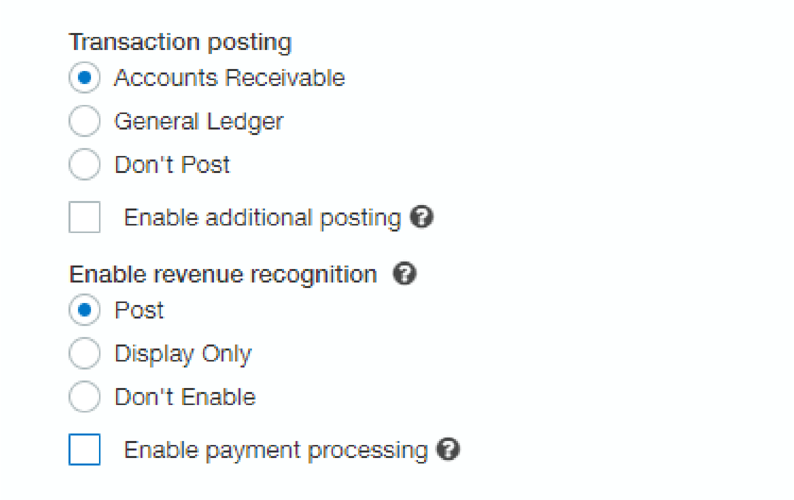
Question 2: How do we set it up?
Order Entry Configuration

- Rev Rec on Sales Invoice
- Rev Rec on Sales Order



Question 2: How do we set it up?
Order Entry Configuration

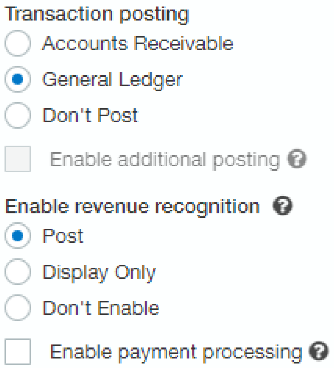
- Option 1: Revenue Recognition on Sales Invoice



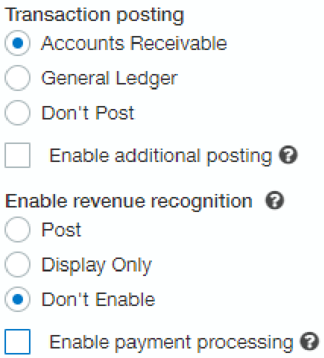
Question 2: How do we set it up?
Order Entry Configuration

Option 2: Revenue Recognition on Sales Order

- Sales Order



- Sales Invoice



Question 2: How do we set it up?
Order Entry Configuration

Configure Order Entry

Save

General configuration | **Documents configuration**

Documents

		Label	Active/Inactive	Summary frequency	Inventory journal	Rev rec journal	Default deferred revenue account	Additional posting journal	Sales journal	Email template
☰	1	Sales Order FF	☑	Each Document	--	RR	20701--Deferred Reve	--	SJ--Sales Journal	Email template

Question 3: What recognition methods can we use?

Revenue Recognition Methods in Sage Intacct

- Straight-line
- Straight-line, prorate exact days (Contract Term only)
- Straight-line, percent allocation
- Straight-line, percent allocation, end of period (Fixed Term Only)
- Exact days per period, prorate days
- Exact days per period, prorate days, end of period (Fixed Term Only)
- Percent Completed (Projects Module Required)
- Milestone (Projects Module Required)
- Custom

- Fixed Term = Required an exact # of periods for the template to run on
- Contract Term = User defines a start and end date for the template to run on
- Automatic and Manual revenue posting options are available

Question 3: What recognition methods can we use?

How to Create a Revenue Recognition Template

- Recognition Schedule Period
  - Monthly, Quarterly, Semi-annually, Annually
- Posting Day
  - Specific Day, Daily, End of Period
- Recognition Term
  - Fixed Period or Contract Term
- System Resume Option
  - Catch Up or Walkforward (Order Entry Only)
- # of Periods
- Recognition Start Date
  - Transaction Date or User Specified
- Posting Method
  - Automatic or Manual

Question 3: What recognition methods can we use?

How to Create a Revenue Recognition Template

Revenue Recognition Template

Template ID *
SL Manual Contract Term

Template description *
Contract Term, Manual Posting

Recognition method
Straight-line

Recognition schedule period
Monthly

Posting day
End Of Period

Recognition term
( ) Fixed period (•) Contract term

System resume option
( ) Catch up (•) Walkforward

# of periods
Required, only when Recognition term is Fixed period

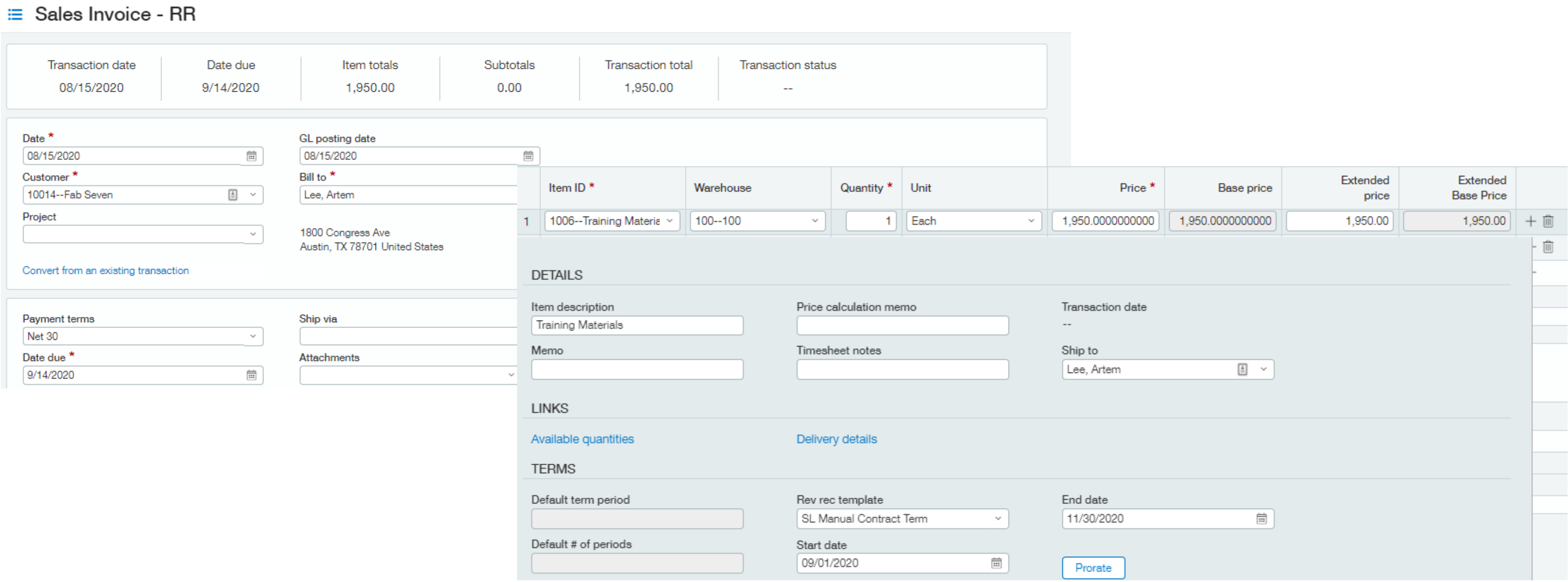
Recognition start date
User Specified

Posting method
( ) Automatic (•) Manual

Status
Active

Question 4: How do I apply the recognition template to my Transactions?

- Option 1: Revenue Recognition on Sales Invoice



Question 4: How do I apply the recognition template to my Transactions?

- Option 1: Revenue Recognition on Sales Invoice

Revenue Recognition Schedule

Hold

Revenue posting status
Not Started

Scheduled
1,950.00

Recognition method
Straight-line

Template
SL Manual Contract Term

Task ID
--

Source transaction
Sales Invoice - RR-SI0003

Transaction date
08/15/2020

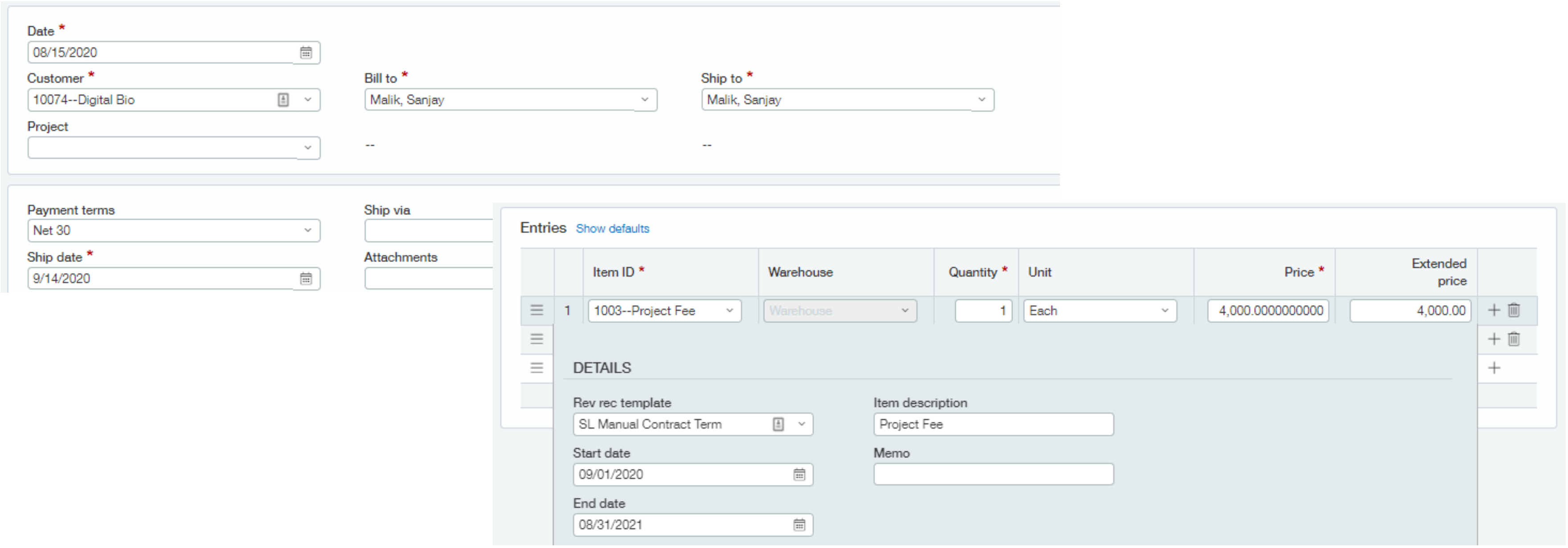
For
09/01/2020 - 11/30/2020

Schedule entries

	Status	Posting Date	Acct#	Journal	Currency	Txn Amount	Base Currency	Base Amount	Posted Base Amount
1	Open	09/30/2020	40900--Revenue-Other	RR	USD	650.00	USD	650.00	0.00
2	Open	10/31/2020	40900--Revenue-Other	RR	USD	650.00	USD	650.00	0.00
3	Open	11/30/2020	40900--Revenue-Other	RR	USD	650.00	USD	650.00	0.00
	Total					1,950.00		1,950.00	--

Question 4: How do I apply the recognition template to my Transactions?

- Option 2: Sales Order > Sales Invoice



Question 4: How do I apply the recognition template to my Transactions?

- Option 2: Sales Order > Sales Invoice

Revenue Recognition Schedule

Header

Revenue posting status
Not Started

Scheduled
4,000.00

Recognition method
Straight-line

Template
SL Manual Contract Term

Task ID
--

Source transaction
Sales Order FF-SO0026

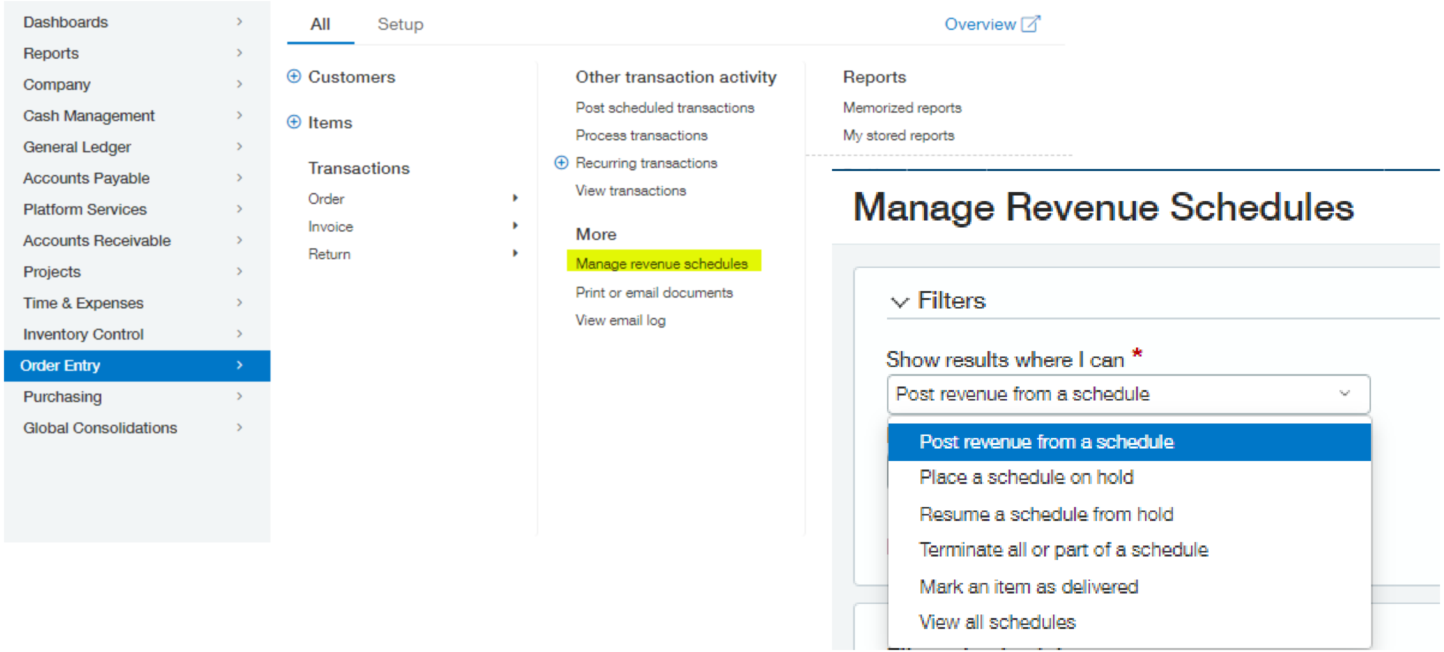
Transaction date
08/15/2020

For
09/01/2020 - 08/31/2021

Schedule entries

	Status	Posting Date	Acct#	Journal	Currency	Txn Amount	Base Currency	Base Amount	Posted Base Amount
1	Open	09/30/2020	40100--Revenue-Services	RR	USD	333.34	USD	333.34	0.00
2	Open	10/31/2020	40100--Revenue-Services	RR	USD	333.34	USD	333.34	0.00
3	Open	11/30/2020	40100--Revenue-Services	RR	USD	333.34	USD	333.34	0.00
4	Open	12/31/2020	40100--Revenue-Services	RR	USD	333.34	USD	333.34	0.00
5	Open	01/31/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
6	Open	02/28/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
7	Open	03/31/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
8	Open	04/30/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
9	Open	05/31/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
10	Open	06/30/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
11	Open	07/31/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
12	Open	08/31/2021	40100--Revenue-Services	RR	USD	333.33	USD	333.33	0.00
	Total					4,000.00		4,000.00	--

Question 5: How do I manage my Revenue Schedules?



Question 5: How do I manage my Revenue Schedules?
View Revenue Schedules

Manage Revenue Schedules

Done

Filters

Show results where I can *
View all schedules

Customer ID

Revenue posts on or before
09/30/2020

Apply filters

More filters...

Filtered schedules

	Customer	Source transaction	Line no.	Item	Delivery status	Delivery date	Schedule status	Posting method	Start date	End date	Total amount	Amount recognized	Amount deferred	Amount terminated	Next posting date	Next posting amount
1	10014--Fab Seven	Sales Invoice - RR-SI0003	1	1006--Training Materials	Delivered	08/15/2020	Not Started	Manual	09/01/2020	11/30/2020	$1,950.00	$0.00	$1,950.00	$0.00	09/30/2020	$650.00
2	10074--Digital Bio	Sales Order FF-SO0026	1	1003--Project Fee	Delivered	08/15/2020	Not Started	Manual	09/01/2020	08/31/2021	$4,000.00	$0.00	$4,000.00	$0.00	09/30/2020	$333.34

Question 5: How do I manage my Revenue Schedules?
Post Revenue from a Schedule

Manage Revenue Schedules

Post | Cancel

Filters

Show results where I can *
Post revenue from a schedule

Customer ID

Revenue posts on or before
09/30/2020

Apply filters

More filters...

Currency gains and losses

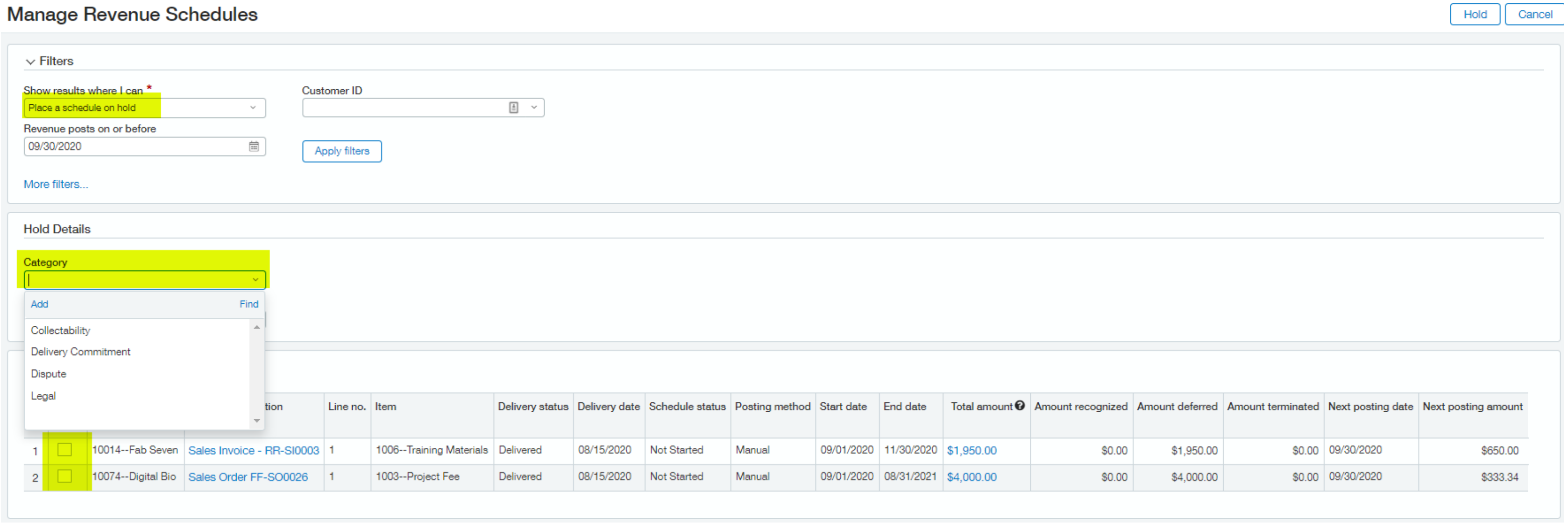
Post currency gains and losses

Exchange rate type

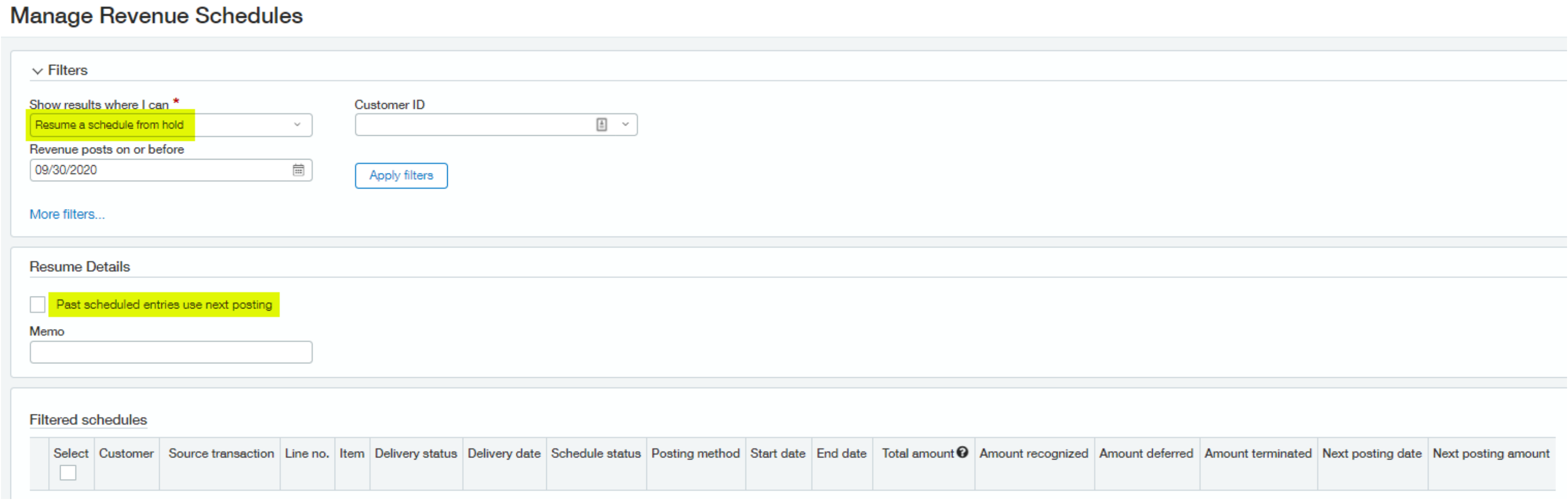
Filtered schedules

	Select	Customer	Source transaction	Line no.	Item	Delivery status	Delivery date	Schedule status	Posting method	Start date	End date	Total amount	Amount recognized	Amount deferred	Amount terminated	Next posting date	Next posting amount
1		10014--Fab Seven	Sales Invoice - RR-SI0003	1	1006--Training Materials	Delivered	08/15/2020	Not Started	Manual	09/01/2020	11/30/2020	$1,950.00	$0.00	$1,950.00	$0.00	09/30/2020	$650.00
2		10074--Digital Bio	Sales Order FF-SO0026	1	1003--Project Fee	Delivered	08/15/2020	Not Started	Manual	09/01/2020	08/31/2021	$4,000.00	$0.00	$4,000.00	$0.00	09/30/2020	$333.34

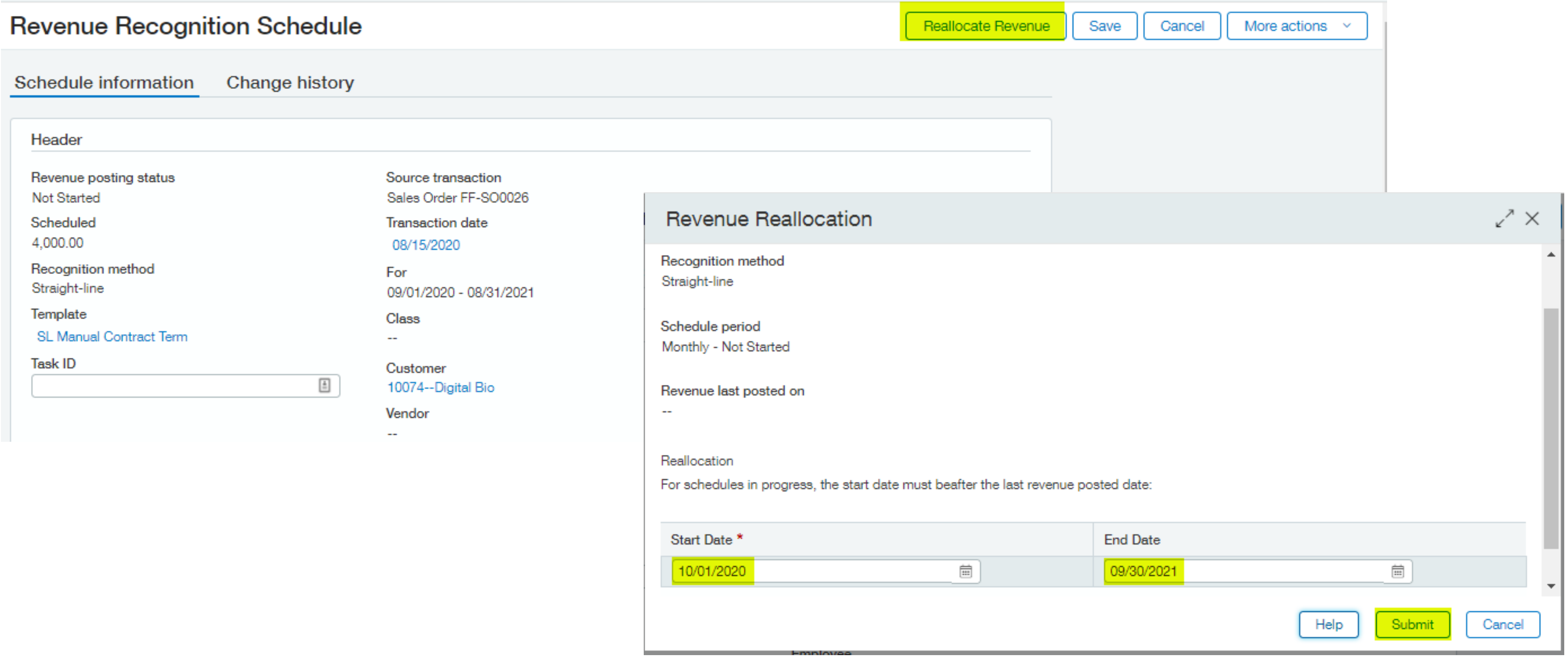
Question 5: How do I manage my Revenue Schedules?
Place a Schedule on Hold



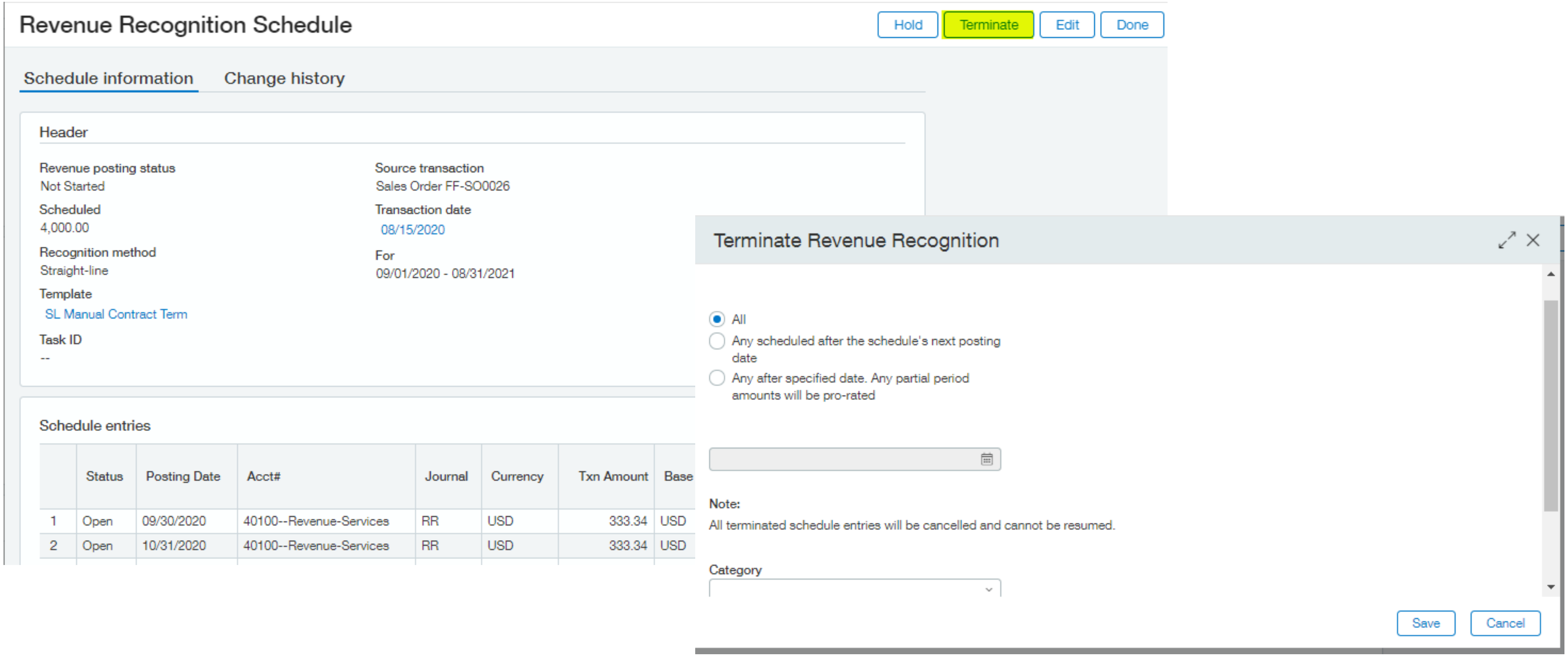
Question 5: How do I manage my Revenue Schedules? Resume a Schedule on Hold



Question 5: How do I manage my Revenue Schedules?
Edit or Reallocate a Schedule



Question 5: How do I manage my Revenue Schedules?
Terminate a Revenue Schedule



Question 5: How do I manage my Revenue Schedules? Revenue Recognition Related to Projects

- Using the Intacct Projects Module opens up some additional functionality related to Revenue Recognition
  - Budgeted Hours
  - Project/Tasks
  - Percent Completed, calculated and observed

Question 6: What Reporting Can I Use?

Reporting Overview

- Deferred Revenue Details
- Deferred Revenue Forecast- Detailed and Summary
- Deferred Revenue Forecast Graphs
- Financial Reports

Question 6: What Reporting Can I Use?
Deferred Revenue Details

- **Purpose**: Review deferred revenue details for a specific period
- **Audience**: Finance Team or Auditors
- **Details:** Transaction amount, deferred amount, amount recognized, amount paid

Deferred Revenue Details Report

Customize | View | Print | Process & store | Email | Add to dashboard | Memorize | Export

Deferred revenue account number	Deferred revenue account name	Customer ID	Customer name	Document type	Document number	Document line number	Transaction date	GL Posting Date	Item ID	Item name	Transaction currency	Schedule status	Revenue recognition category	Revenue account ID	Revenue account title	Base amount(USD)	Amount deferred(USD)	Amount recognized(USD)	Fx gain/loss recognized(USD)
20701	Deferred Revenue	10014	Fab Seven	Sales Invoice - RR	SI0003	1	08/15/2020	08/15/2020	1006	Training Materials	USD	Not Started		40900	Revenue-Other	1,950.00	1,950.00	0.00	0.00
		10074	Digital Bio	Sales Order FF	SO0026	1	08/15/2020	08/15/2020	1003	Project Fee	USD	Not Started		40100	Revenue-Services	4,000.00	4,000.00	0.00	0.00
Total for 20701																5,950.00	5,950.00	0.00	0.00
															Grand Totals	5,950.00	5,950.00	0.00	0.00

Question 6: What Reporting Can I Use?
Deferred Revenue Forecast

- **Purpose**: Review deferred revenue schedules over time
- **Audience**: Finance Team
- **Details:** Time Period, Filters, Format: Group by Account, Customer, Doc Type, Item, Other Dimensions

Deferred Revenue Forecast Report

Customize View Print

Revenue account ID	Revenue account name	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Total (USD)
40100	Revenue-Services	333.34	333.34	333.34	333.34	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	4,000.00
40900	Revenue-Other	650.00	650.00	650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,950.00
Grand Total		983.34	983.34	983.34	333.34	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	5,950.00

Question 6: What Reporting Can I Use? Deferred Revenue Forecast

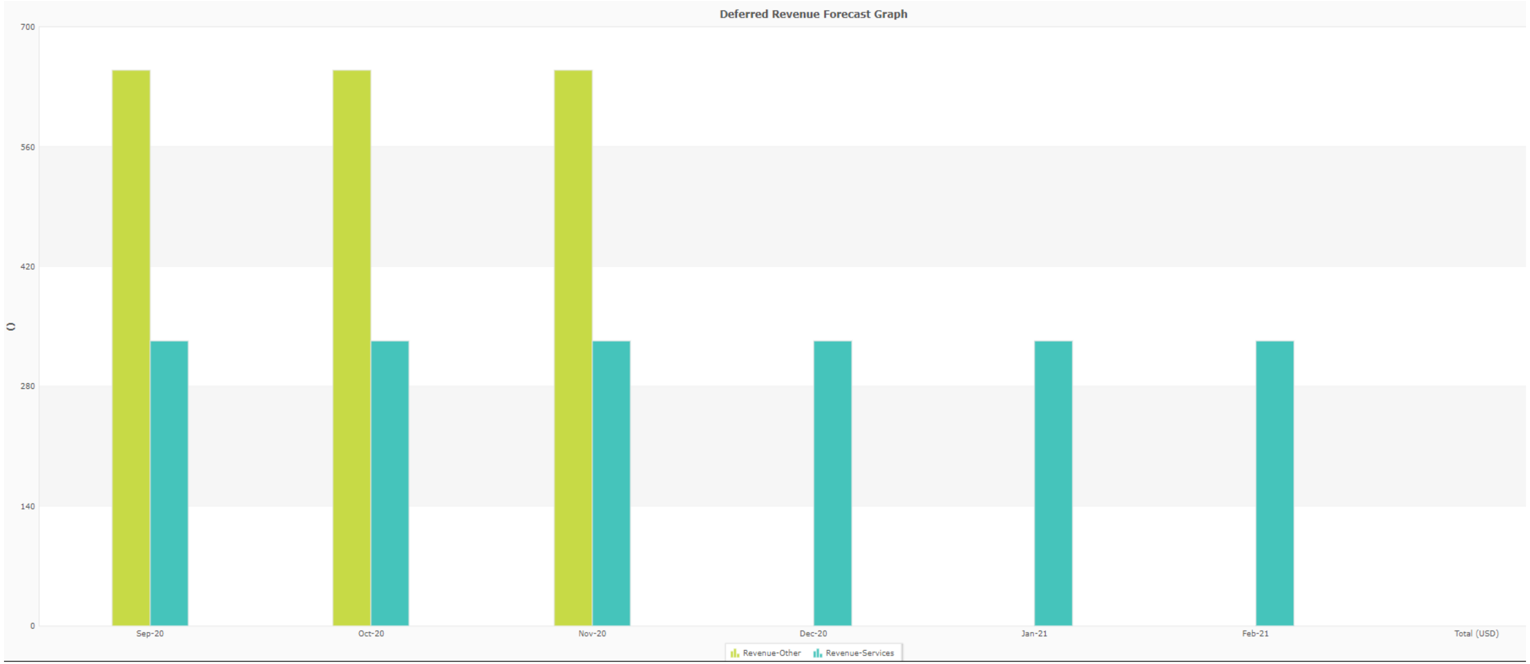
- **Report Type – Summary; Group By Customer**

Customer ID	Customer Name	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Total (USD)
10014	Fab Seven	650.00	650.00	650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,950.00
10074	Digital Bio	333.34	333.34	333.34	333.34	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	4,000.00
Grand Total		983.34	983.34	983.34	333.34	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	5,950.00

- **Report Type - Detail; Group By Customer**

Customer ID	Customer Name	Revenue account ID	Revenue account name	Transaction Date	Document Type	Document Number	Document Line Number	Item ID	Item Name	Term Start Date	Term End Date	Transaction Currency	Schedule Status	Transaction Line Total (Base)	Department ID	Location ID	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
10014	Fab Seven	40900	Revenue-Other	08/15/2020	Sales Invoice - RR	SI0003	1	1006	Training Materials	09/01/2020	11/30/2020	USD	Not Started	1,950.00		100	650.00	650.00	650.00	0.00	0.00
		Total for 40900															650.00	650.00	650.00	0.00	0.00
Total for 10014																	650.00	650.00	650.00	0.00	0.00
10074	Digital Bio	40100	Revenue-Services	08/15/2020	Sales Order FF	SO0026	1	1003	Project Fee	09/01/2020	08/31/2021	USD	Not Started	4,000.00		100	333.34	333.34	333.34	333.34	333.33
		Total for 40100															333.34	333.34	333.34	333.34	333.33
Total for 10074																	333.34	333.34	333.34	333.34	333.33
	Grand total																983.34	983.34	983.34	333.34	333.33

Question 6: What Reporting Can I Use?
Deferred Revenue Forecast Graph



Question 6: What Reporting Can I Use? Financial Reports

Account Report Structure - GL Accounts are the rows

- Pros: Expand certain accounts/account groups by a dimension; always ties to the GL
- Cons: Less flexibility
- Example: Revenue by Customer

Question 6: What Reporting Can I Use?
Financial Reports

Dimension Report Structure – Dimensions are the rows

- Pros: More flexibility with Dimension Groups and Dimension Hierarchies
- Cons: If there are transactions that aren’t tagged to a dimension, then the report won’t tie to the GL
- Example: Revenue by Customer by Region

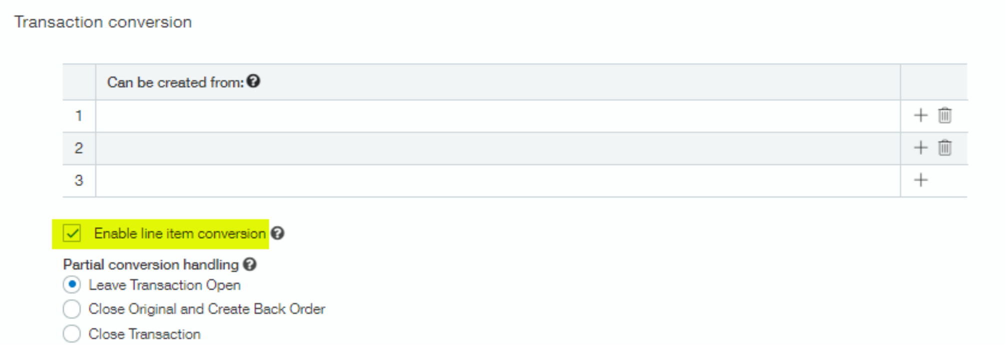
Question 7: What if my Billing schedule is separate from Revenue?

- **Setup Requirements**
  - Sales Order Transaction Definition
    - ◊ Enable Line Item Conversion
  - Create Recurring Schedule Templates
    - ◊ One time
    - ◊ Quarterly
    - ◊ Semi-Annual

Question 7: What if my Billing schedule is separate from Revenue?

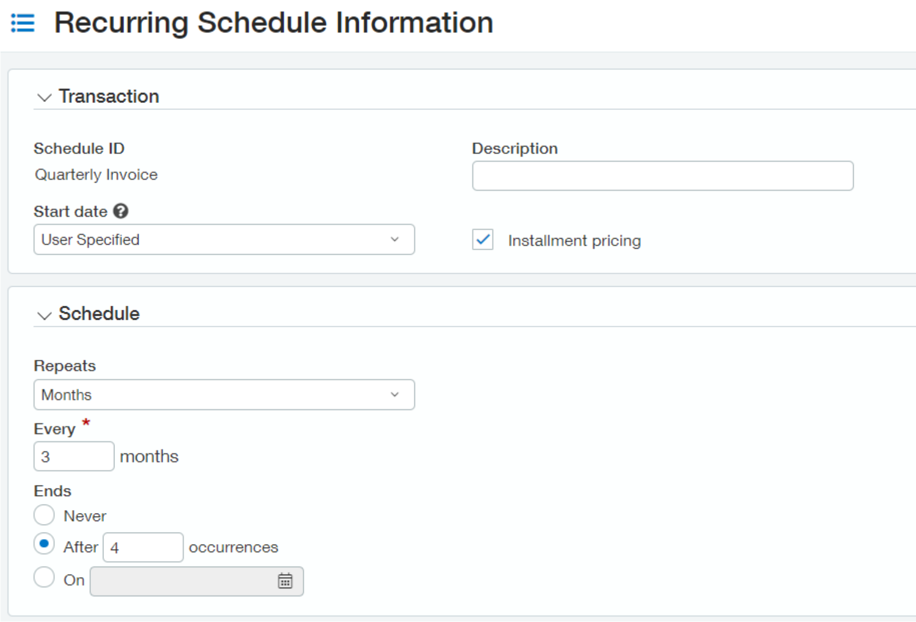
Sales Order Transaction Definition

– Enable line item conversion



Question 7: What if my Billing schedule is separate from Revenue?

- **Create Recurring Schedule template**



Question 7: What if my Billing schedule is separate from Revenue?

- **Apply Schedule to Transaction**
  - **Find Sales Order, select Convert by Line**

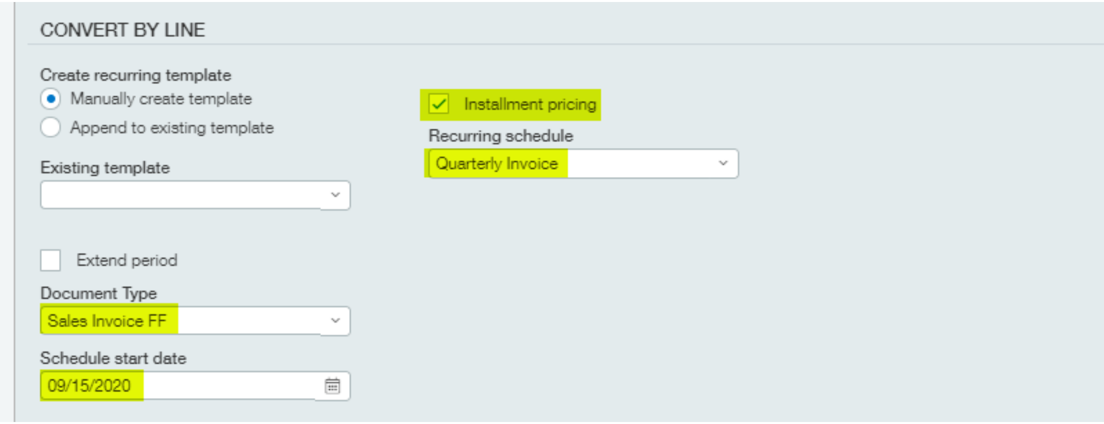
Order Entry Transactions: Sales Order FF

All ▾ Manage views ▾ | ☐ Include inactive | ☐ Include private | Advanced filters | Clear all filters

	Type	Document number	Reference number	Customer name	Txn currency	Base currency	Date ▲	State
Edit View Convert Convert by line	Sales Order FF	SO0026		Digital Bio	USD	USD	08/15/2020	Pending

Question 7: What if my Billing schedule is separate from Revenue?

- **Apply Schedule to Transaction**
  - On each line, view details of each line and associate the desired recurring schedule



Question 7: What if my Billing schedule is separate from Revenue?

- **View Schedule upon Save of Sales Order conversion**

Recurring Transactions Templates:

Add Done

All ▾ Manage views ▾ Include inactive Include private Advanced filters Clear all filters

		Customer name ▾	Document type	Record number	Frequency	Next execution date	Transactions created	Currency	Base currency	Contract ID	Schedule
Edit	View	Digital Bio	Sales Invoice FF	1	Months	09/15/2020	0	USD	USD		Turn off

Thank you!

- Debbie Marsh
- Debbie.Marsh@claconnect.com
- CLA, Senior Consultant