

Revenue Recognition: *The New Guidelines*

Course Description

In 2014, after years of deliberations, the Financial Accounting Standards Board (the FASB) and the International Accounting Standards Board (the IASB) jointly issued the Accounting Standard Update (ASU) No. 2014-09 (codified primarily in ASC 606) and IFRS 15, respectively. ASC 606, the new revenue standard, replaces virtually all (including industry-specific) U.S. GAAP revenue guidance with a single model. The standard does not just change the amounts and timing of revenue but potentially affects organizations' financial statements, business processes, and internal control over financial reporting. The standard also affects other related accounting topics such as contract modification, rights of return, licensing, principal-versus-agent considerations, and income tax. Moreover, the standard creates new and expanded disclosure requirements.

In light of the new revenue standard, organizations need to reassess their current revenue accounting processes and systems and implement changes required to maintain compliance with the new guidance. This course reorganizes the guidance contained in ASC 606, to follow the five-step revenue recognition model along with other guidance impacted by this standard. It also provides examples to illustrate the application. The course is designed to help you navigate the complexities of this standard, identify the implications of it, and prepare for implementation. It also shares insights to help you evaluate the effect of required changes to the internal control environment. It provides a working knowledge of the fundamentals of revenue standard that can be applied, regardless of the company size, in the real world.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 6 (CPA)

Category: Accounting

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

After completing this course, you should be able to:

1. Recognize the improvements over the revenue accounting through the release of ASC 606

2. Cite the key changes of the revenue recognition practice compared to former ASC 605
3. Recognize the impact of the revenue standard on the organizations
4. Identify the applicability of the revenue standard
5. Recognize the steps involved in implementing the new revenue guidelines
6. Identify the presentation and disclosure requirements
7. Recognize the requirements for other revenue topics (e.g., warranties, principal-versus agent, licensing)
8. Recognize the indicators for potential misstated revenue recognition
9. Identify control activities that reduce the risk of misstatement in revenue