



NetSuite Revenue Recognition Module

NetSuite offers the industry's first and only:

- Built-in, customizable real-time dashboards
- Revenue recognition

NetSuite Revenue Recognition Module includes:

- Supports AICPA, FASB and SEC regulations (including SOP 81-1, SAB 101, and EITF 00-21)
- Supports VSOE
- Percent complete revenue recognition
- Revenue recognition schedules at the line item level
- Editable and customizable revenue recognition schedules
- Detailed drilldown/audit capabilities
- Handles reverse amortization for credits/refunds
- Reports forecast future revenue recognition scheduled
- Integrated with Advanced Billing (part of the Advanced Financials option)

Revenue Recognition

NetSuite supports AICPA, FASB and SEC regulations (including SOP 81-1, SAB 101, and EITF 00-21). NetSuite also accommodates the requirements specified in SOP 97-2 & 98-9 relating to Vendor Specific Objective Evidence or VSOE, including the accommodation of the Residual Method and a separate VSOE price for every item. Percent Complete Revenue Recognition allows companies to recognize revenue in conjunction with the completion of a project. NetSuite also supports Sarbanes-Oxley compliance with Section 404. Software companies can even manage both GAAP revenues and billings separately—a critical operation for most software companies.

Why NetSuite Revenue Recognition?

Recognize Revenue as Services Delivered

Some businesses defer income from their sales and only recognize the revenue and reports as services are delivered. NetSuite's revenue recognition feature allows you to attach amortization schedules to your sales; a reminder notifies you when it is time to recognize revenue and post a journal entry for all the schedules that are due in that period. There are also reports to provide detailed visibility on the status of your deferred revenue.

Create Revenue Recognition Schedules

In NetSuite, you can create revenue recognition schedules for all your sales transactions. These schedules are extremely flexible and customizable, and can be assigned on a per-item basis.

Manage Specific Objective Evidence (VSOE)

With Version 11.0, revenue recognition capabilities support Vendor Specific Objective Evidence. This includes support for SOP 97-2 & 98-9, as well as related pronouncements such as SAB 101 and EITF 00-21. NetSuite's VSOE will include the ability to:

- Preset default delivery status, VSOE price and discount options at the Item level
- Auto-calculate VSOE allocation of the sales amount to element members—including the ability to handle line-level and transaction-level discounts.
- Treat an entire transaction as a bundle or predefine bundles in advance to avoid errors
- Properly recognize revenue based on item delivery, including the explicit ability to handle the residual method (SOP 98-9)
- Manually override all fields and calculations in case you wish to do-it-yourself
- Help determine VSOE price by offering pre-built reports on historical item sales amounts

Percent Complete Revenue Recognition

Percent Complete Revenue Recognition allows you to recognize revenue in conjunction with the completion of a Job. A new schedule type is offered that links to a given job and as that job is completed, the schedule is updated automatically. At each period end, the schedule then generates a Journal Entry to recognize the proportional amount of revenue based on the percentage of completion of the assign job at that point in time.

Dashboard Reminder

A dashboard reminder notifies you when there is revenue due to be recognized, and allows you to review the data, then NetSuite automatically creates the appropriate journal entries.

Forecast and Deferred Revenue Reports

Forecast and deferred revenue reports are provided to give you visibility into all your deferred and recognized revenue.

 **Find out more: engage@exploreconsulting.com 425.462.0100**