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In May, 2014, the Financial Accounting Standards Board and the International Accounting Standards Board issued a joint revenue recognition standard related to customer contracts. The new guidelines impact most organizations that deliver goods and/or services on a contract basis, especially when delivered over extended periods of time.

GBI is currently working with its clients on compliance with the new revenue recognition guidelines. With a focus on leveraging existing Oracle|Hyperion software, we are providing solutions to historic and go forward Revenue Recognition reporting so our clients are fully prepared for 2018 external reporting requirements.


Let GBI assist your company with the external reporting and analytics of these new requirements. Click the link below for more information.

Learn More

Or, contact us directly at the number below.

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More on Revenue Recognition:

Using the new guidelines for revenue recognition, companies align revenue to the delivery of “performance obligations.” They must account for these obligations - items that are owed to the customer under the terms of the contract - as accrued contract liabilities, and extinguish them by transferring those items to customers and recognizing revenue on the successful transfer. No longer will companies apply the variety of current practices for recognizing revenue (for example, deferring revenue on early invoicing) or apply current, by-industry US revenue guidance. Application of the guidelines will require some companies to recognize that a contract exists where they previously may not have thought they had one.

The aim of the joint guidelines is to establish a common set of global standards for all companies to recognize and report revenue. But, it’s not really about accounting as much as it’s about capital markets. By uniformly applying these guidelines, it becomes easier for external stakeholders (such as shareholders or financial analysts) to compare revenue performance between organizations.

There isn’t a great deal of time remaining to implement these new guidelines, as the adoption date for the new standard is January 1, 2018 for the majority of U.S. companies. IFRS requires that comparative information for prior year financial statements needs to be disclosed as well. These guidelines represent a major shift in revenue recognition for affected companies. For some, it represents the first time that they’ve had to rethink how they “count” revenue, and they may not be sure of what’s involved in this switch from a procedural or systems perspective.



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