



Frazier  
& Deeter  
CPAs & ADVISORS

# Revenue from Contracts with Customers

## OVERVIEW

On May 28th 2014, the Financial Accounting Standards Board (FASB) issued the long-awaited Accounting Standards Update, Revenue from Contracts with Customers (the Standard). The Standard replaces virtually all U.S. GAAP guidance that currently exists on revenue recognition with a single model to be applied to all contracts with customers. The following contracts are not included within the scope of the Standard:

- Lease and insurance contracts
- Certain contractual rights or obligations within the scope of other standards, including financial instruments
- Certain guarantees within the scope of other standards, other than product warranties
- Nonmonetary exchanges between entities in the same line of business to facilitate sales to customers

# Preparing for the New Standard

## EFFECTIVE DATE

For a public entity, the amendments in the Accounting Standards Update (ASU) are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For nonpublic entities, the amendments in the ASU are effective for annual reporting periods beginning after December 15, 2018, and to interim reporting periods within annual reporting periods beginning after December 15, 2019.

Both public and nonpublic entities are permitted to adopt the new revenue standard early, but not before the original effective date for public entities (that is, annual periods beginning after December 15, 2016). A public entity should apply the new revenue standard to all interim reporting periods within the year of adoption. A nonpublic organization is not required to apply the new revenue standard in interim periods within the year of adoption.

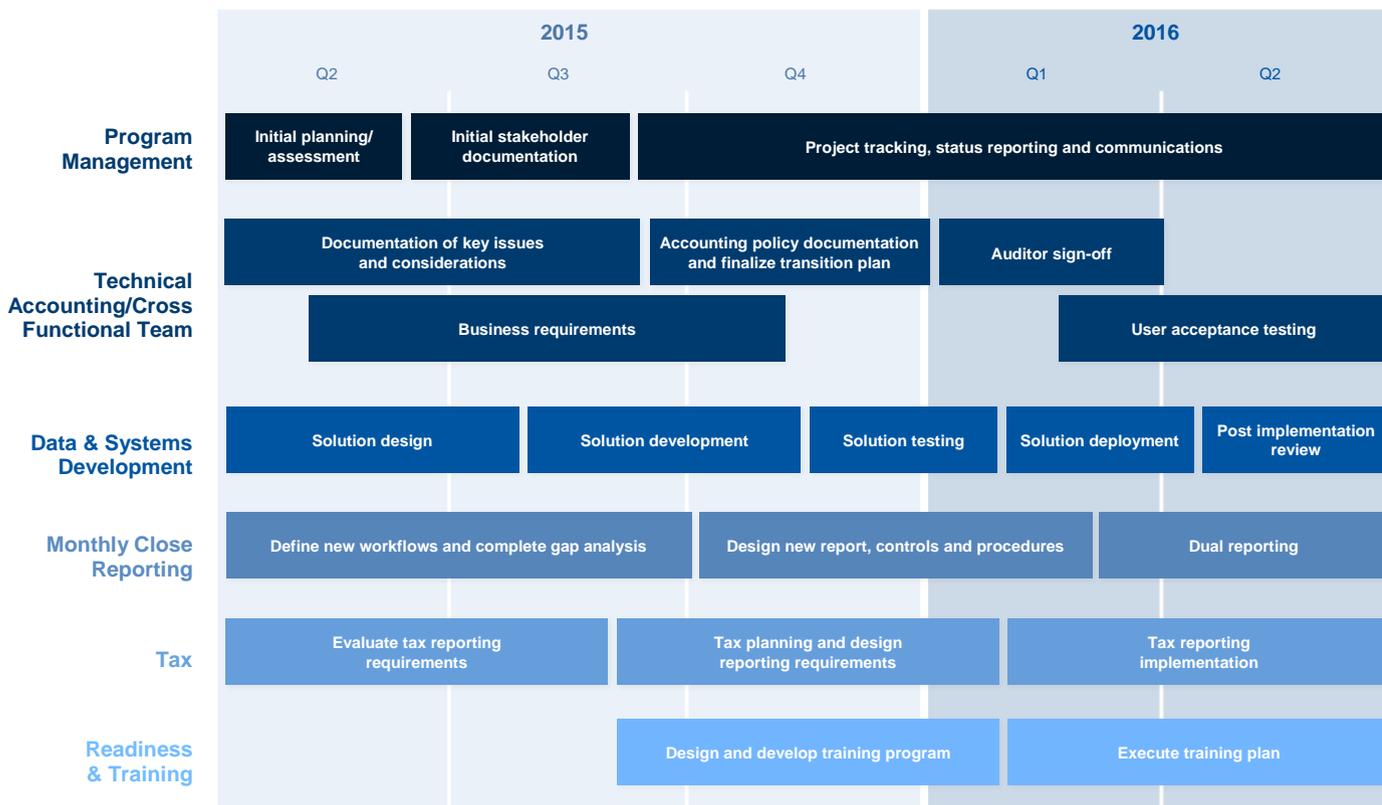
## HOW FRAZIER & DEETER CAN ASSIST WITH IMPLEMENTATION

Frazier & Deeter offers a broad range of business consulting services that address the financial, organizational, operational, strategic and information technology challenges companies face.

Frazier & Deeter's resources, enhanced by our membership in the PKF North America affiliation of accounting firms, enables us to offer our clients the personal and professional, officer level attention that is the hallmark of a regional firm combined with the highly sophisticated resources that are typically only available to national and international firms.

The Frazier & Deeter culture is focused on responsiveness to help you through the implementation process.

## Roadmap (EARLY ADOPTION)

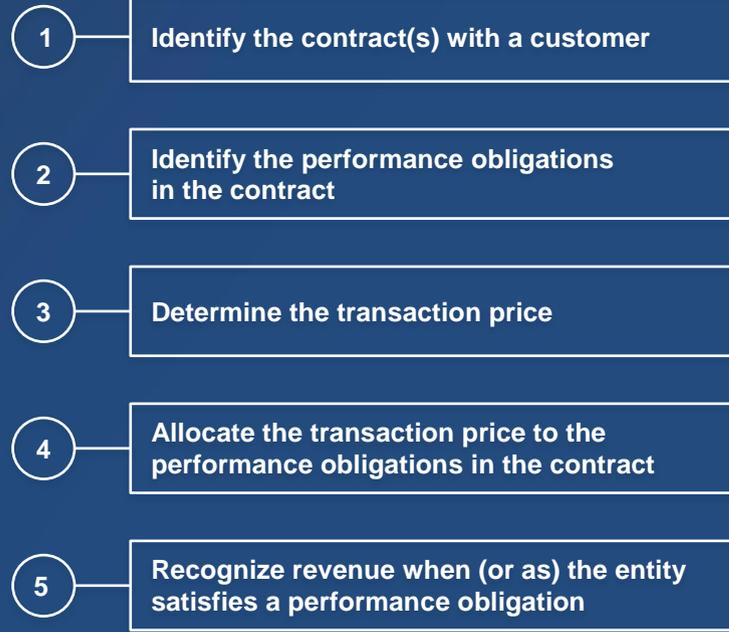


## CORE PRINCIPLE OF THE NEW STANDARD

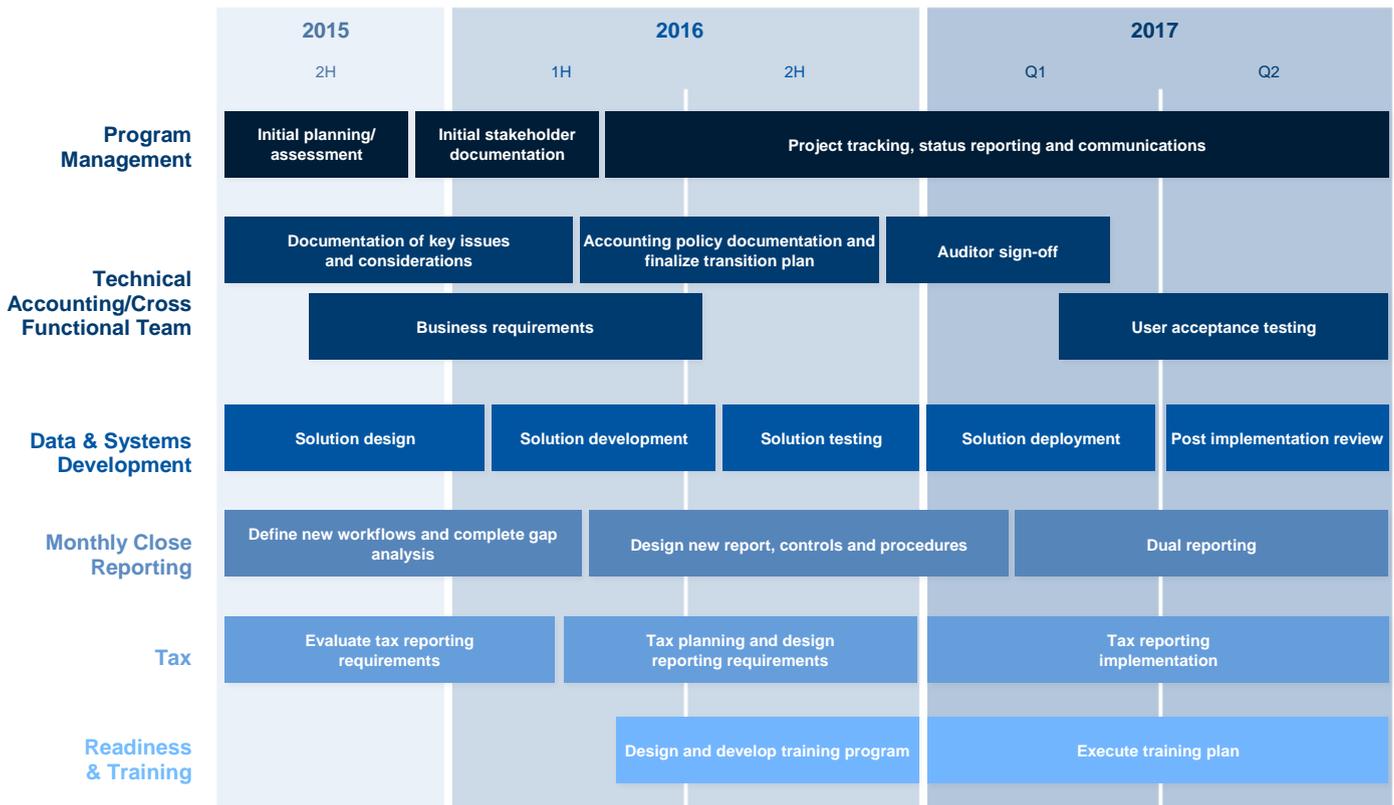
Revenue shall be recognized to depict goods or services transferred to customers in an amount that reflects the consideration an entity expects to be entitled to receive in accordance with these five steps:

Although these steps may seem straightforward, only a structured assessment will ensure the entire population of contract types and revenue streams related to your business operations are identified and evaluated for impacts by the Standard. Also included in this assessment, will be the up and downstream impacts to policies, processes, departments and systems.

Depending on the adoption timeline selected, the roadmaps below outline example strategies for implementation.



## Roadmap (NO EARLY ADOPTION)





## OUR SERVICES

- Audit & other assurance
- Business advisory
- Accounting support
- Employee benefit audit
- Financial planning
- Mergers & acquisitions
- Process, risk & governance
- Tax planning & preparation

## ABOUT FRAZIER & DEETER

- Founded in 1981
- Top 100 CPA firm in the U.S.
- Member of the PCAOB & AICPA
- Highest AICPA ranking
- Named Top 25 Best Managed Firm

ATLANTA HEADQUARTERS  
404.253.7500

ALPHARETTA  
404.573.4200

NASHVILLE  
615.259.7600

TAMPA  
813.874.1280

FRAZIERDEETER.COM

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