

BILLINGPLATFORM SIMPLIFIES ASC 606 COMPLIANCE



Automate Revenue Recognition According to **ASC 606** While Enabling Product Innovation

What Is **ASC 606**?

ASC 606 was introduced by regulators as new accounting standards designed to change the way organizations approach revenue recognition. The regulation aims to improve financial revenue reporting and the comparability of financial statements across the globe and across industries.

At its core, ASC 606 states that companies must recognize revenue when goods or services are transferred to the customer, and that amount of revenue must be proportionate to the level of satisfaction of the contract's performance obligations at the time the revenue is recognized.

The following five steps summarize the **ASC 606** process for recognizing revenue from contracts with customers:

1. Identify the contract with the customer
2. Identify the separate performance obligations in the contract
3. Determine transaction price for the contract
4. Allocate transaction price to the performance obligations within the contract
5. Recognize revenue when (or as) a performance obligation is satisfied

BillingPlatform Supports **ASC 606** Compliance at Every Stage

BillingPlatform empowers finance teams to configure revenue recognition rules in accordance with ASC 606 and operate in compliance with other industry standards. More importantly, BillingPlatform offers complete control over your financial compliance while maintaining your freedom to innovate products and services.

BillingPlatform is the only solution that offers the following capabilities natively, which support ASC 606 throughout all five steps of compliance.

- ✓ Built-in mediation that tracks product usage upstream
- ✓ Revenue recognition configured to your business model and accounting policies
- ✓ Automated workflow capable of supporting any business model
- ✓ Native subledger allows you to define rules and post revenue to whatever detail is necessary (product, location, legal entity, profit/cost center ect.)
- ✓ Complex rating and metering capabilities that can be customized for any customer contract



BillingPlatform's native revenue recognition capabilities enable enterprises in every industry and business model to recognize revenue according to the latest reporting standard.

Automate Revenue Recognition According to Your Business and Your Regulations

While all companies must follow ASC 606, many revenue recognition capabilities cannot accommodate the use of complex pricing tactics, such as recurring revenue, usage-based pricing, or multi-element allocation situations. BillingPlatform has overcome this limitation. We offer a flexible metadata model, so revenue recognition in BillingPlatform can be defined based on any field within the system, making it easy to automate revenue recognition in any scenario.

Additionally, many businesses are crippled by compliance or manual process bottlenecks. Product innovation and agile go-to-market strategies are critical in today's world. New business models require traditional, downstream, back-office functions, such as revenue recognition, to be interconnected with the product itself for accurate reporting and streamlined business operations.

We understand enterprise needs and accommodate extreme complexities in billing, rating, invoicing, and revenue recognition. By accommodating these needs, BillingPlatform makes it possible to stay compliant and keep business running regardless of industry, geography, or strategic objective.

BillingPlatform's rules-based revenue recognition engine can be configured to recognize any pricing model in line with IFRS and US GAAP. This allows you to operate in full confidence with automated and compliant revenue recognition practices.

BillingPlatform Revenue Recognition can be configured to any business model that generally falls within these four categories:

- ✓ **Point-In-Time Revenue Recognition** allows companies to recognize revenue as soon as an invoice goes out.
- ✓ **Scheduled Revenue Recognition** allows companies to recognize revenue based on a defined period of time.
- ✓ **Obligations Revenue Recognition**, which is unique to BillingPlatform, enables companies to recognize revenue based on milestone triggers.
- ✓ **Formula Driven Revenue Recognition** allows companies to de-couple invoices from revenue recognition schedules enabling automation in complex multi-element arrangements or other situations.

Big Enterprises Require Complex Recording Requirements

Manage critical revenue information and maintain compliance with our native subledger to ease the accounting close process. BillingPlatform's native subledger makes it easy for controllership to evolve the financial systems as product offerings change, enabling rapid launch of new products while still maintaining the level of detail needed in each system.

- ✓ **Billing & Accounting Integration** - BillingPlatform supports billing and revenue subledger activity (Cash, AR, Revenue, Deferred Revenue, etc) in one integrated and efficient system.
- ✓ **Process Acceleration** - BillingPlatform provides better reporting, giving finances teams readily available data enabling deeper and more effective analysis.



Automate Revenue Recognition & Maximize Your Enterprise's Profitability

BillingPlatform enables finance teams to configure every aspect of revenue recognition, so they can deploy differentiated pricing tactics. Additionally, we help you automate your revenue management and reduce errors by relying on a single solution to manage all billing and revenue recognition processes, all while remaining compliant with ASC 606.

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BillingPlatform is the industry leading cloud-based software solution that enables enterprises to automate their billing processes. Companies have the ability to support any kind of billing model – from subscriptions, to usage, to one-time charges – and automate the entire monetization process from product conception through revenue recognition, all on a single platform. With global customers across multiple industries including communication, transportation, technology, utilities, and media, BillingPlatform processes millions of transactions and billions of dollars every year enabling enterprises to grow revenue, reduce costs, and improve overall customer experience.

To learn more visit www.billingplatform.com