



## Revenue Recognition on Salesforce Summer 2019 User Guide

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## About This Guide

With the Revenue Recognition User Guide, you can find out how Apttus Revenue Recognition works and how to recognize and forecast your organization's revenue trends.

Topic	Description
What's Covered	This guide walks the Revenue Operation Manager through the entire revenue recognition process. It covers information, step-by-step instructions, and use cases for the features provided by Apttus Revenue Recognition.
Primary Audience	Revenue Operation Manager, Finance Manager, Chief Finance Officer, Revenue Controller
IT Environment	Refer to the latest <a href="#">Revenue Recognition on Salesforce Summer 2019 Release Notes</a> for information on System Requirements and Supported Platforms.
Updates	For a comprehensive list of updates to this guide for each release, refer to <a href="#">What's New</a> topic.
Other Resources	<ul style="list-style-type: none"> <li>Revenue Recognition Admin Guide: Refer to this guide for installing and setting-up Revenue Recognition in your organization.</li> <li>CPQ Admin Guide: Refer to this guide for setting up products and price lists.</li> <li>CPQ User Guide: Refer to this guide for more information about legal entities and product line items.</li> <li>Contract Management User Guide: Refer to this guide for more information about contracts and agreements.</li> </ul>

This guide describes the following tasks:

- To oversee and streamline your revenue recognition processes.
- To view and understand revenue agreements and revenue schedules.
- To recognize revenue based on different revenue rules.
- To get accurate and real-time visibility into your revenue forecasts.
- To recognize revenue based on milestones
- To recognize revenue for amended contracts

Before using Revenue Recognition, you must be familiar with the following:

- Basic Salesforce administration
- Apttus CPQ and Contract Management administration
- Apttus and Revenue terms and definitions

If you are new to Apttus Revenue Recognition, begin here: [Getting Started](#) and [Apttus Revenue Recognition Life Cycle](#).

## What's New

The following table lists changes in the documentation to support each release.

Document	Topic	Description
Summer 2019 Rev B	<a href="#">Recognizing Revenue for Usage Based Products</a>	Rectified the Revenue Recognition policy for usage-based products.
Summer 2019 Rev A	<a href="#">About Apttus Revenue Recognition</a>	New topic to conform to Apttus Documentation standards.
	<a href="#">Creating Agreements in Bulk</a>	Topic included from User Guide.
Summer 2019	<a href="#">Revenue Run</a>	Modified topic. Updated the screenshot to reflect the latest UI.
	<a href="#">Using the Revenue Console</a>	Modified topic. Updated the screenshot to reflect the latest UI.
	<a href="#">Performance Obligation</a>	Modified topic. Updated the topic to include revenue summary fields on Performance Obligation.
	<a href="#">Revenue Recognition for Renewed Assets</a>	New topic. New feature for this release.
	<a href="#">Agreement Fees</a>	Modified topic. Updated the topic to include Editing Start Date for Immediate RevRec Rule feature.
Spring 2019	<a href="#">Agreement Fee Schedules for Extended Contracts</a>	Modified topic. Updated the topic to include Terminating an Extended Contract feature.
	<a href="#">Use Case: Forecasting Revenue</a>	New topic. Added use cases for Forecasting Revenue.
	<a href="#">Use Case: Generating Actual Revenue</a>	New topic. Added use cases for Generating Actual Revenue.
	<a href="#">Milestone Based Revenue Recognition</a>	New topic. New feature for this release.
Winter 2018	<a href="#">Agreement Fee Schedules for Extended Contracts</a>	New topic. New feature for this release.
	<a href="#">Managing Actual Revenue using Revenue Console</a>	Modified topic. Updated the topic to include email notification feature.
	<a href="#">Managing Forecast Revenue using Revenue Console</a>	Modified topic. Updated the topic to include email notification feature.

Document	Topic	Description
Summer 2018		No new features were added for this release. The guide was updated to reflect product name changes.



## About Apttus Revenue Recognition

**Revenue Recognition** is the process of aligning revenue with the delivery of goods and services.

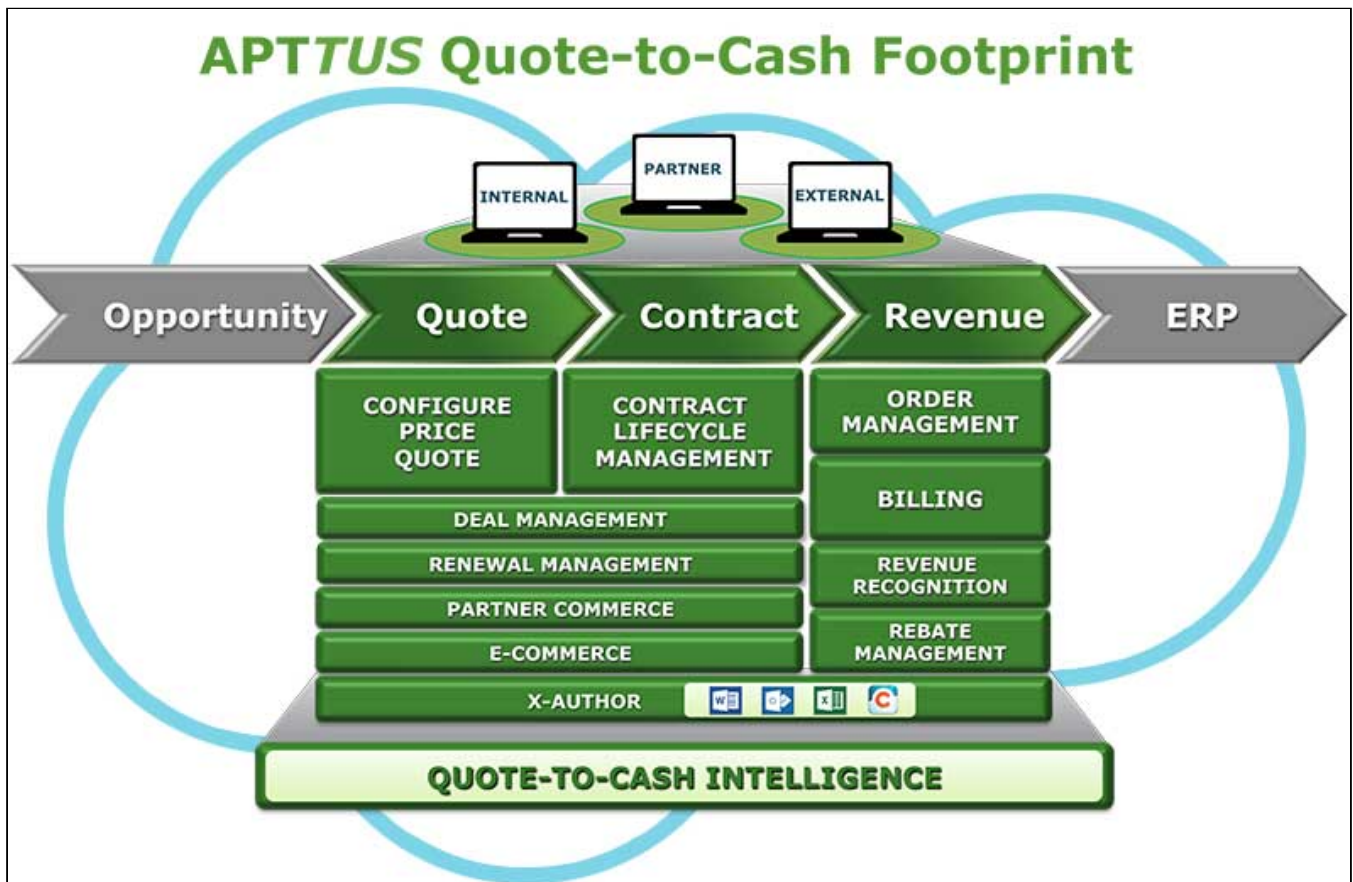
As a Sales Representative, after you make a sale, you must report the revenue that results from your sales. You must consider the structure of the sale, contract terms, and the billing and fulfillment status for each deal to accurately report revenue to your investors, executives, and board members. It is vital to get this right because revenue is the most important measure of how well your company is performing.

Revenue is not the same as cash, and the two are distinctly different. Revenue is the fair market value of products or services delivered. This may differ from the invoice and payment amount for an individual service. This is especially true when sales and marketing teams offer free add-ons.

To better understand the challenges, let's look at a few transactions to see how this works in practice.

- When you buy a product for \$100 at a retail store, the store recognizes \$100 as revenue immediately since you received the product at the time you paid.
- When you sign up for an annual subscription to a video streaming service, the vendor will spread the revenue over 12 months since the service is delivered over the course of a year.
- When you buy a car and receive a free annual subscription for a radio service, the revenue is split between the car and the radio service. Revenue for the car is recognized immediately since you received the car at the time of purchase. Revenue for the radio is spread over 12 months as the service is delivered over time.

Complex contracts and flexible purchasing options can make managing revenue very challenging. Apttus Revenue Recognition inherits and uses information and data from other applications in the Apttus Quote-to-Cash suite. Revenue Recognition syncs seamlessly with Apttus CPQ, Apttus Contract Management, Apttus Billing Management, and Apttus Renewals Management. With this synchronization, you can increase your access to all the information you require, real-time, while reducing time and effort across all the teams involved.



This is why Apttus is uniquely suited to handle the Revenue Recognition process. Only Apttus with its end-to-end view of the entire Quote-to-Cash process has all of the information required without the need for messy integrations.

Apttus Revenue Recognition allows a user to perform the following tasks:

- Recognize Revenue according to ASC 605 and ASC 606 standards for standalone, bundle and usage-based products
- Generate actual and forecast revenue
- Rollback actual and forecast revenue
- Schedule or execute immediate revenue run
- Recognize revenue for asset-based orders
- Recognize revenue for agreement fee adjustments
- Recognize deferred revenue
- Recognize milestone-based revenue
- Recognize revenue for % based RevRec Rule
- Generate, view and delete agreement revenue snapshots and summaries
- Perform revenue reconciliation
- Manage accounting periods
- Create and process agreements in bulk

## Key Terminology

It is important to understand how terms are used when working with Apttus Revenue Recognition.

Term	Definition
Actual Revenue	The revenue earned for the current period. Actual Revenue is posted to General Ledger and reported on financial statements.
Agreement Revenue Adjustments	Represent the changes to the amount of revenue recognized during a period.
Agreement Revenue Summary	Represents the summary of all recognized and forecast revenue and deferred revenue balances for a single period for all agreement fees within an agreement.
Deferred Revenue	Revenue for services that have not yet been performed or goods that have not yet been delivered.
Reconciliation	The primary method used to verify the accuracy of an account's balance.
Revenue Forecasts	Predicts a company's future financial state. Forecasted Revenue allows executives to plan future activities and provide guidance to investors and stakeholders on future performance.
Revenue Recognition	The process used to align revenue with the delivery of goods and services.
Revenue Recognition Policy	Defines how to recognize revenue for an Agreement Fee.
Revenue Recognition Rule	Determines how revenue will be recognized. Revenue Recognition Rules are the foundation rules of the policy that a company follows.

## Getting Started

You can use the **Apttus Revenue Recognition** to manage revenue recognition schedules. With Apttus Revenue Recognition, you can generate complex revenue schedules for any combination of products, services, and subscriptions before posting final transactions on your General Ledger.

With Apttus Revenue Recognition, it's easy to take information from signed commitments and fulfilled orders to create revenue schedules that are fully compliant with accounting and corporate standards. In addition to GAAP, Apttus Revenue Recognition complies with FASB, IASB, SOP, and SEC regulations and Sarbanes-Oxley Section 404 requirements as well.

## Key Benefits

With Apttus Revenue Recognition, you can

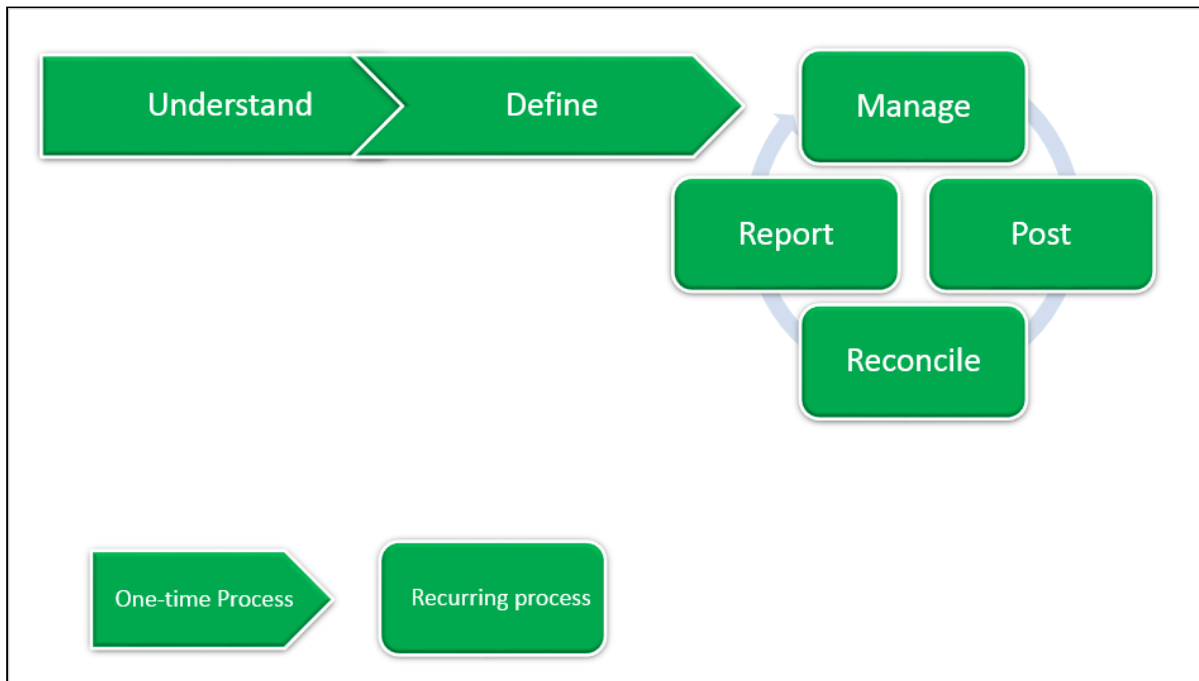
- Increase Productivity - eliminate manual workarounds to generate and validate revenue schedules for your orders.
- Improve Financial Agility - quickly model revenue schedules for new products, services, or subscriptions, and acquisitions.
- Increase Financial Insight - get more accurate and real-time visibility into your revenue forecasts.

## Apttus Revenue Recognition Life Cycle

Apttus Revenue Recognition Life cycle is the process used to manage the revenue of a deal from start to finish.

While the details of the process may vary between companies, every company follows the same major stages.

Apttus Revenue Recognition is designed around Revenue Life Cycle.



The phases of Apttus Revenue Recognition Life Cycle are:

- **Understand** - understand the essence of business transaction and determine which Revenue Recognition Policies apply to each good or service in the transaction.
- **Define** - define the specific plan including the amount of revenue to recognize and the specific accounts impacted for each good or service.
- **Manage** - manage the maintenance activities for each product or service. This includes creating adjustments to revenue, recording usage, processing up-sells or down-sells, or cancellations.
- **Post** - post the amount of revenue earned during the period to the GL during accounting close.
- **Reconcile** - reconcile your deferred revenue and revenue accounts and ensure accuracy for financial reporting.
- **Report** - report the company's financial position and plan appropriately.

## Logging in to Revenue Recognition

Log in to your [Salesforce.com](https://www.salesforce.com) org to access Apttus Revenue Recognition.

### Note

Do not use the Back button on your browser when using Apttus Revenue Recognition.

Before you log in to Revenue Recognition, make sure you meet the following criteria:

- You have installed all of the required Revenue Recognition module packages.
- You have login credentials provided by Apttus.

## To log in to Apttus Revenue Recognition

1. Go to <http://www.salesforce.com>.

Or

If your organization is using a sandbox or test environment to access Apttus Revenue Recognition (for example, if you are doing user acceptance testing), go to <http://test.salesforce.com> instead.

2. In the toolbar at the top of the page, click Login. The login page opens.
3. Enter your User Name and Password, and click Log in to **Salesforce**.  
You have successfully logged into Revenue Recognition.
4. Navigate to the [Force.com](http://www.force.com) App Menu and select Apttus Revenue Management.

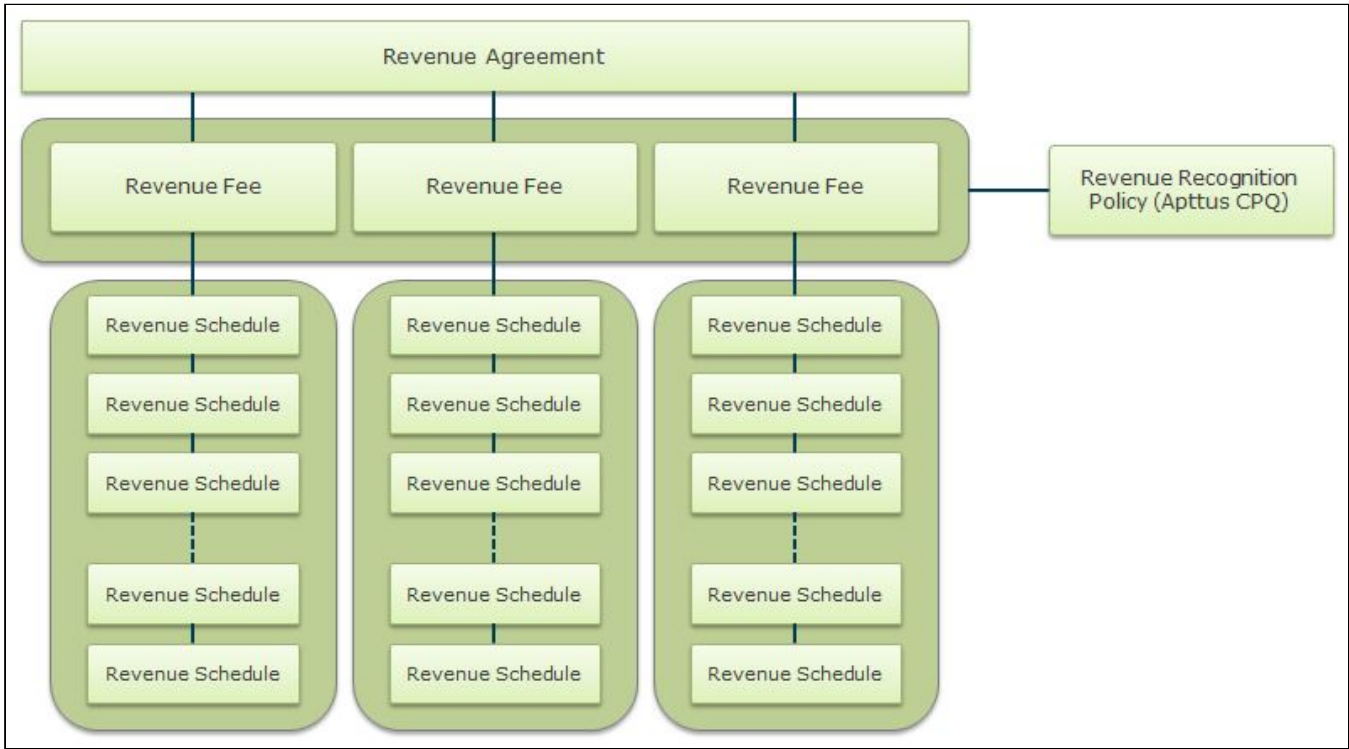
You are ready to start recognizing your revenue in Apttus Revenue Management.

## Key Concepts

It is essential to understand the following concepts in order to work with Apttus Revenue Recognition.

- **Revenue Agreement** - A **Revenue Agreement** is an agreement established between a customer and vendor when the vendor agrees to provide products and services and the customer agrees to receive and pay for those products and services. This agreement may be a formal document with a signed contract or it could be an informal agreement as with any subscription service provider. It is important to note that an agreement always exists; if it does not exist, no revenue exists. This agreement is represented within Apttus by a Revenue Agreement record.
- **Agreement Fee** - An **Agreement Fee** is a revenue from the goods or services provided within an agreement. As many products and services can exist under a single agreement revenue, multiple revenue fees can exist under a single revenue agreement.
- **Revenue Recognition Policy** - A **Revenue Recognition Policy** defines how to recognize revenue for an Agreement Fee. It is essential to associate the Revenue Recognition Policy with the Agreement Fee as it determines when the revenue will be recognized - revenue can be recognized at once or it can be spread over a number of periods. Each Agreement Fee may have only a single policy but many policies can be created to reflect the different ways the revenue can be recognized.
- **Revenue Schedule** - A **Revenue Schedule** is an object where the amount of revenue to be recognized in each month is stored. By applying the Revenue Recognition Policy to the Agreement Fee, a waterfall can be created to show how much revenue will be recognized in each month. Since revenue can be recognized over time, many revenue schedules can exist under a single revenue fee.
- **Performance Obligation** - Performance Obligation is a promise in a contract with a customer to transfer to the customer either:
  - A good or service (or a bundle of goods or services) that is distinct.
  - A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- **Agreement Line** - Agreement Lines are created for each product in your agreement. Each agreement line will have net price, transaction price, and revenue allocation amount.
- **Revenue Split-Merge Policy** - Revenue Recognition Policies allows users to create rules so the system can automatically distribute revenue according to their business policies. Split or Merge policy is useful when you have single asset having multiple obligations or multiple assets that are a part of a single obligation.
- **Revenue Forecast Schedules** - Revenue Forecast Schedules are created when you run the Forecast Revenue batch job. Revenue Forecast Schedules show the distribution of revenue that is yet to be recognized. They are used to predict a company's future financial state.

The diagram below depicts the revenue agreement and its components.





## Understand

It is essential to analyze each transaction to identify the attributes of the transaction that impact revenue.

In order to recognize revenue from a transaction, companies must meet the following criteria.

- An Agreement exists between the company and the customer.
- Price must be fixed and determinable.
- The collection is reasonably assured.
- Proof of delivery of products or services must exist.

Before any other decisions can be made, it is essential that you analyze the transaction to determine how and when each criterion will be met. This means answering questions such as

- Which document represents the full transaction? Is the contract represented by a single order or multiple orders?
- Does this transaction modify an existing contract or is this a new agreement?
- Can each good or service be used individually or are they dependent on other goods or services being fully delivered?
- Is the price of this service fixed or does it vary based on usage?
- When will the good or service be delivered? Is it delivered all at once as a hard good? Or is it delivered over time as a service?
- Does the contract give the customer the ability to cancel at any time?
- Is this revenue recognized over time or immediately?
- What are the important dates for revenue? Will the start of revenue be delayed?
- If recognized over time, how will revenue be distributed across the revenue term?

The answers to these questions will allow you to determine how should revenue be recognized for each good or service. This allows you to identify a Revenue Recognition Policy or Rev Rec Rule to be used to recognize revenue for each good or service.

For more complex scenarios, revenue for a service may be different than the amount which has been invoiced. In these situations, it is necessary to calculate the total revenue that will be recognized for each good or service over the life of the contract. Multi-element Arrangements (MEAs) occur when we group multiple items together for the revenue recognition purposes. This is most common in the case of bundles but could also occur when multiple items on a contract are related.

For example, a sales representative could provide 2 years of service for free as part of a deal. From a billing perspective, the value of the service is zero. For revenue, we need to consider the fair value of the service and account for that as revenue over the 2 years the service is provided.

A variety of approaches exist for calculating the fair market value in MEA scenarios:

- Vendor Specific Objective Evidence (VSOE) - this method is used when a good or service is sold by the vendor as a standalone offering. When using this method, the standalone price is used.
- Third Party Evidence (TPE) - this method is used when a good or service is not sold by the vendor as standalone but similar services are offered as standalone services by other vendors in the market. When using this method, the average price of that other vendors charge for the equivalent service is used.
- Best Estimated Selling Price (BESP) - this method is used when the good or service is not sold as a standalone offering by any vendor.

Once calculated, this value will be stored in Apttus Revenue Recognition for each revenue item.

As a result of performing these steps, the transaction will be broken down into individual goods or services. For each good or service, you will know how much revenue will be recognized as well as the rule or policy you will use to distribute that revenue.


It is essential to understand the core elements of Apttus Revenue Recognition.

- [Revenue Recognition Rules](#)
- [Advanced Revenue Recognition Rules](#)
- [Revenue Recognition Policies \(Apttus CPQ\)](#)

## Revenue Recognition Rules

**Revenue Recognition Rules** determine how revenue will be recognized. Revenue Recognition Rules are the foundation rules of the policy that a company follows. Revenue Recognition Rules are assigned to each Agreement Fee.

The following table describes the **basic rules** that Apttus supports.

Revenue Recognition Rule	Description
Immediate	Recognize the entire fee amount immediately. For example, when you buy groceries from a store, revenue is recognized immediately.
Ratable	<p>Recognize the fee amount over a period of time and calculate the deferred balance accordingly. For example, when you subscribe to a video streaming and pay for one year upfront, then revenue will be recognized every month and the deferred balance will decline as revenue is recognized.</p> <div>  <b>Note</b>            This model is useful when there is no end date to the subscribed product or service. The customer pays as per usage.         </div>
Ratable - Day	Fee amount is calculated based on the number of days in term. Allocated revenue is a multiplication of the base monthly revenue and the number of days in a month. The deferred balance is calculated accordingly.

Revenue Recognition Rule	Description
Subscription	<p>Recognize the fee amount over a period of time but does not track deferred revenue. For example, you subscribe to any online magazine with a monthly payment, revenue will be recognized over a period of twelve months.</p> <div> <p><b>Note</b></p> <p>This model is useful for monthly subscription models where a customer is free to cancel at any time.</p> </div>
Percentage Complete	<p>Track the progress of a revenue fee towards completion. You need to enter the completion percentage of a revenue fee for each month in the term. Based on your inputs, the system will create appropriate revenue schedules to recognize the revenue.</p>

To add a Revenue Recognition Rule to your Agreement Fee, kindly refer [Agreement Fees](#).

**Note**

You can opt to consider or ignore Leap year while calculating revenue from Custom Settings. Go to Setup > Build > Develop > Custom Setting and click Manage for Revenue System Properties. Click Edit for System Properties and select **Ignore Leap Year For Revenue Recognition** to ignore the leap year for revenue recognition.

## Advanced Revenue Recognition Rules

Revenue Recognition Rules determine how revenue will be recognized. Apttus Revenue Recognition supports three Advanced Revenue Recognition Rules.

The following table describes three Advanced Revenue Recognition Rules.

Advanced Revenue Recognition Rule	Description
Milestone	Recognize revenue based on one or more pre-defined milestones.
Prepay	Recognize revenue ratably from a prepaid amount (prepayment amount). When usage is above the prepayment ratable schedule, revenue is increased to reflect the increased usage.

Advanced Revenue Recognition Rule	Description
True-up	Recognize revenue from committed revenue models. Revenue is increased to meet the minimum threshold if revenue is below a specific threshold on a specific day.

## Revenue Recognition Policies (Apttus CPQ)

### **Note**

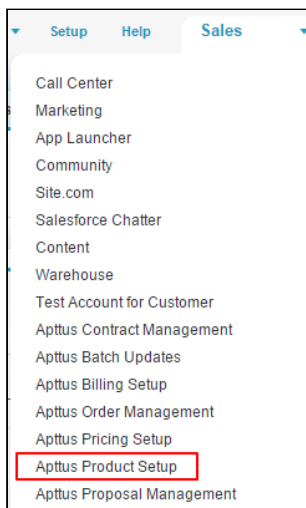
The Revenue Recognition Policies object is a part of Apttus CPQ product. After the integration of Apttus Rev Rec and Apttus CPQ, Revenue Recognition Policies will impact the revenue to be generated.

Revenue Teams must be consistent in the methods they use to recognize revenue. This is done by identifying a set number of policies which are used to recognize revenue for all transactions. While exceptions may exist, the majority of their transactions will adhere to one of these policies. Revenue Recognition Policies allows users to create those rules within Apttus so the system can automatically distribute revenue according to their business policies. Revenue Recognition Policies must be assigned to Products or Price List Items to instruct the system on which rule to use for a particular transaction.

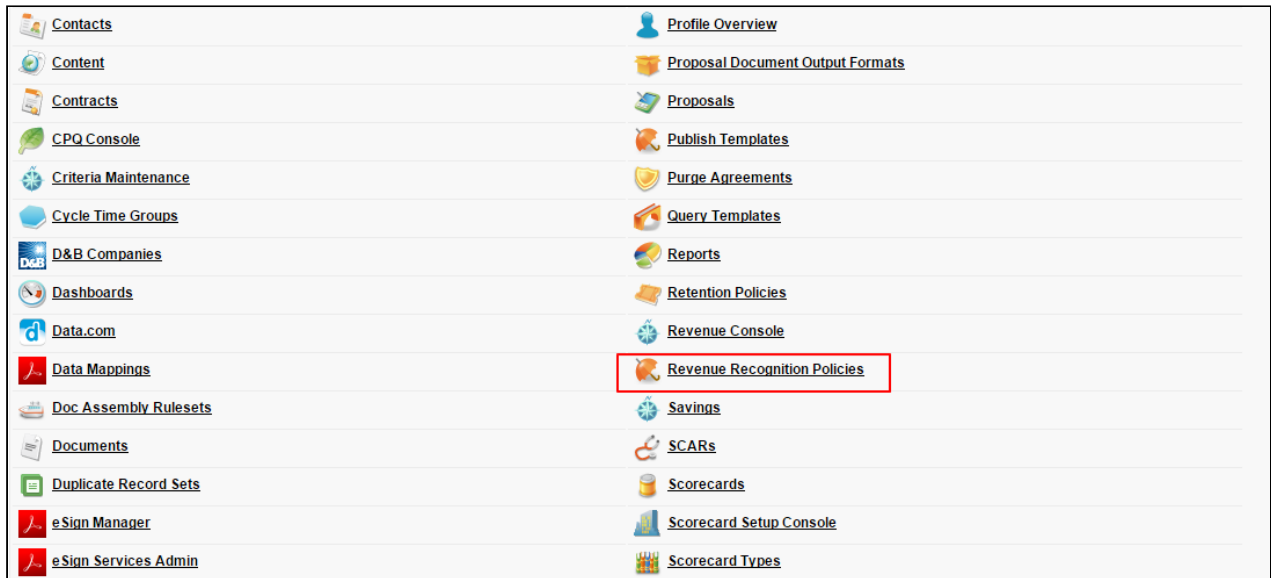
For more information on Revenue Recognition Rules, kindly refer [Revenue Recognition Rules](#).

## To create Revenue Recognition Policy

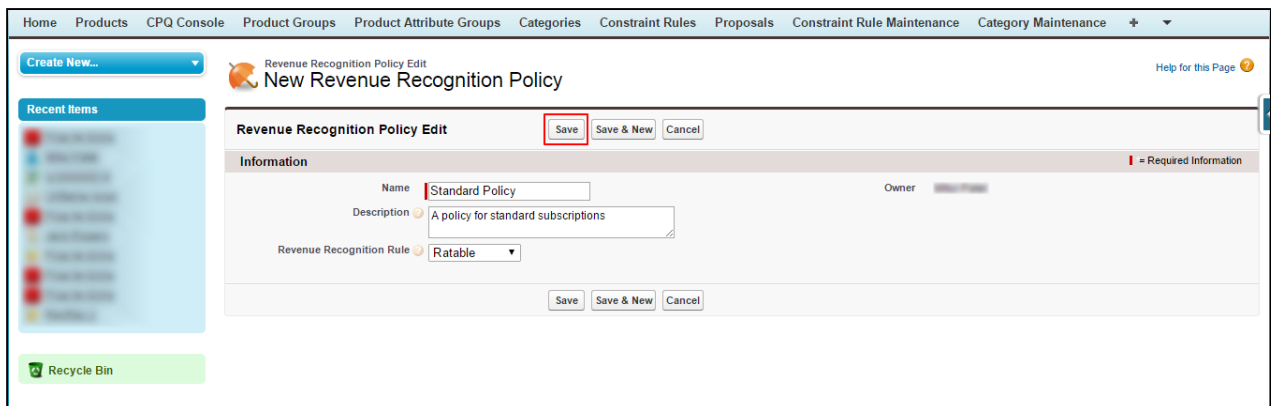
1. From Force.com drop down menu, select **Apttus Product Setup**.



- Click  and select **Revenue Recognition Policies**.

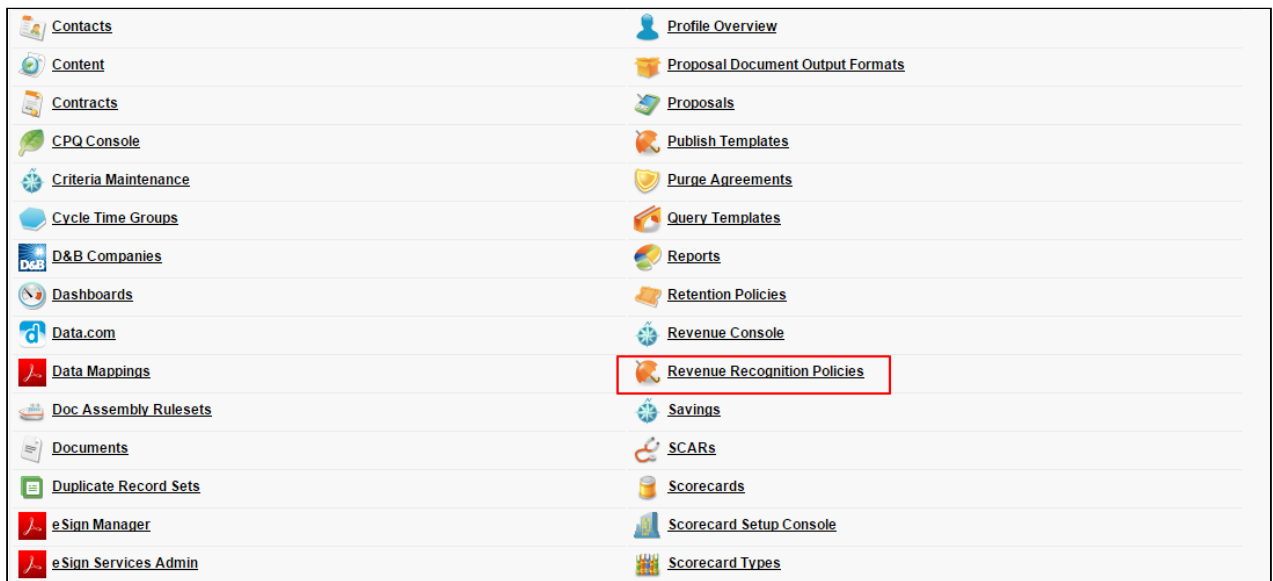


- Click **New**.
- Enter the **Name** and the **Description** of the Revenue Recognition Policy.
- Select the appropriate **Revenue Recognition Rule** from the drop down menu.
- Click **Save**.

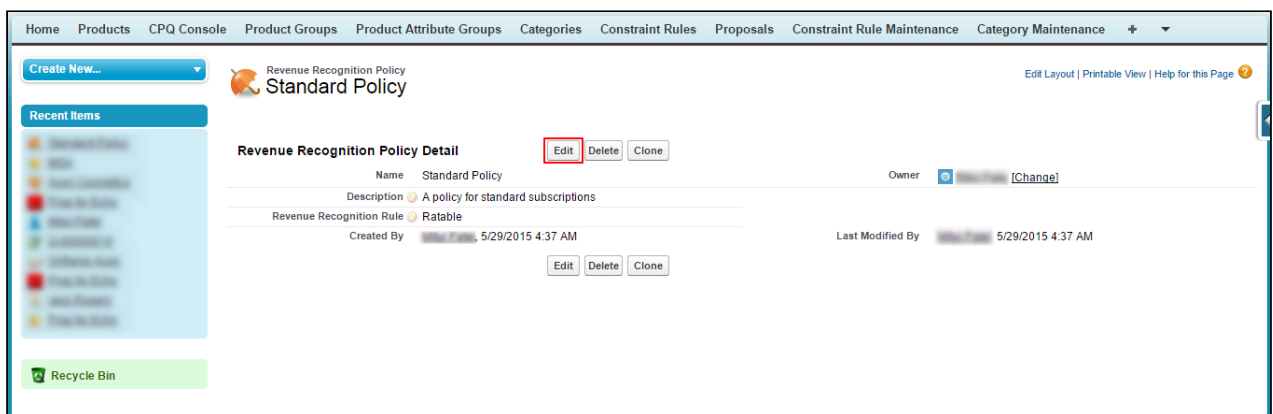


## To edit Revenue Recognition Policy

- Click  and select **Revenue Recognition Policies**.



2. Select an appropriate revenue recognition policy.
3. Click **Edit**.



4. After making appropriate changes to the policy, click **Save**.

The screenshot shows the 'Revenue Recognition Policy Edit' form. The 'Name' field is 'Standard Policy', the 'Description' is 'A policy for standard subscriptions', and the 'Revenue Recognition Rule' is set to 'Manual'. The 'Save' button is highlighted with a red box.

## Revenue Recognition Period

Revenue is recognized for a legal entity based on the time period defined in the Revenue Recognition Period. For a legal entity, to recognize revenue for the month of January, set the current period date in RevRec Period as 31/1/2018.

### To create a Revenue Recognition Period,

1. Go to **RevRec Period** from All tabs.
2. Click **New**.
3. Enter the following details:

Field Name	Description
RevRec Period Name	<p>The name of the RevRec Period.</p> <div>  Apttus Recommends naming the revrec period as <b>RevRec Constants</b>. </div>
Current Period Date	Revenue is recognized for the month mentioned in the Current Period Date.
Legal Entity Id	Id of the Legal Entity for which you want to recognize the revenue. For more information on Legal Entities, refer to Legal Entity.

4. Click **Save**.

Revenue Recognition from the Revenue Console is done for the month defined in the RevRec Period. Once revenue is recognized for the current period, click **Close Period** from the Revenue Console to recognise revenue for the next month.

## Define

After analyzing the transaction and determining how you will recognize revenue, it is essential to define the specific plan for each good or service. This plan will determine the amount of revenue to be recognized each month during the revenue term and the specific accounts impacted as well.

For example, if a customer purchased 3 months of service for \$300, your plan for recognizing revenue may look like:

Month	Revenue
January	\$100
February	\$100
March	\$100

To record this transaction within Apttus, you need to:

### Caution

For changes to existing agreements, skip step 1 and perform following steps within an existing agreement.

1. Create a [Revenue Agreement](#) to represent the transaction.
2. Create [Agreement Fees](#) (one or more) for each good or service sold as a part of the transaction.
3. Generate [Agreement Revenue Schedules](#) that will allow you to distribute and forecast revenue for each Revenue Fee.

## Revenue Agreements

**Revenue Agreements** represent the agreements between the company and the customer. All revenue associated with that agreement can be found in Revenue Agreements. For example, you can find a summary of the revenue of all fees associated with the agreement. You can manage the calculation of earned and forecasted revenue for this agreement.

You can perform following actions from the Revenue Agreements object:

- Generate and Rollback Revenue
- Generate and Rollback Forecasts
- Manage Agreement Fees
- Manage Revenue Schedules
- Manage Products and Milestones
- Manage Prepays and True-ups
- Manage Revenue and Forecast snapshots



A new Revenue Agreement can be created or you can edit an existing agreement.

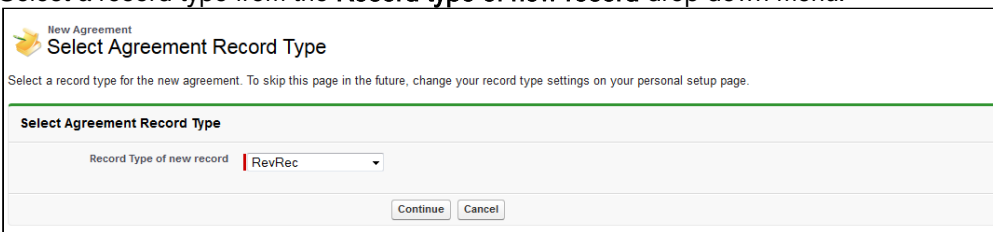
## Creating Agreements

Revenue Agreements can be created from Agreements tab. You have to set the Record type has to RevRec.

### To create an Agreement

You must have system administrative access into your Salesforce org.

1. Click the **Agreements** tab, and click **New**.
2. Select a record type from the **Record type of new record** drop down menu.



**New Agreement**  
Select Agreement Record Type

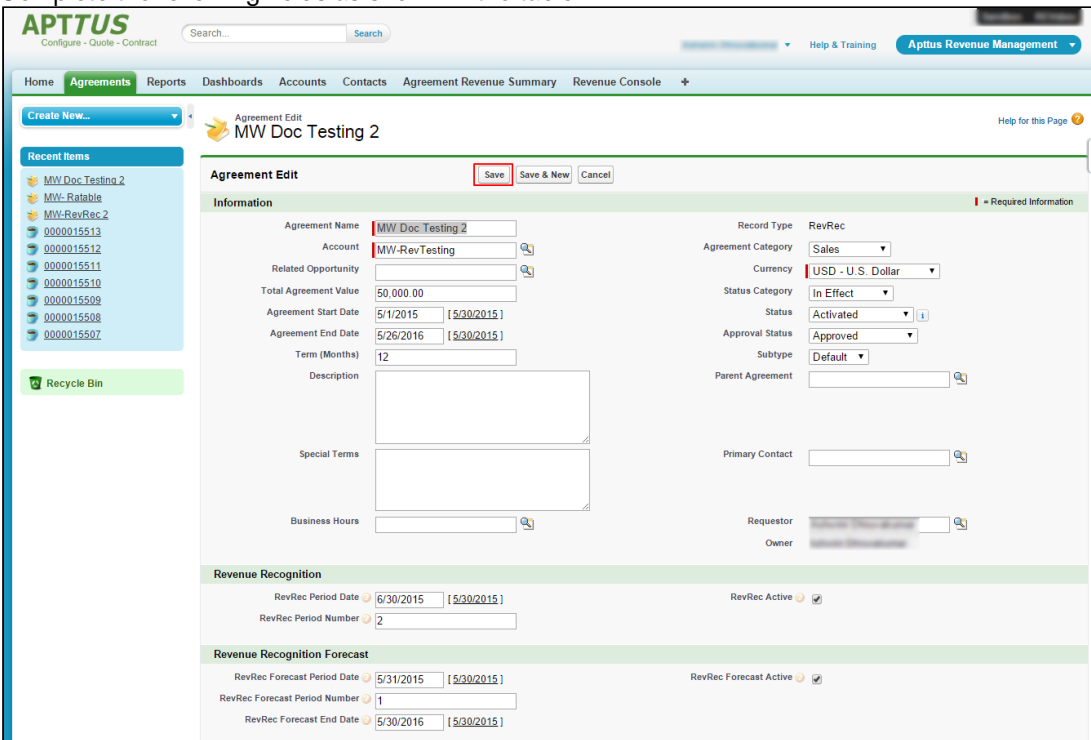
Select a record type for the new agreement. To skip this page in the future, change your record type settings on your personal setup page.

**Select Agreement Record Type**

Record Type of new record | RevRec

Continue Cancel

3. Click **Continue**.
4. Complete the following fields as shown in the table.



**APTTUS**  
Configure - Quote - Contract

Search... Search

Home Agreements Reports Dashboards Accounts Contacts Agreement Revenue Summary Revenue Console +

Create New... Agreement Edit MW Doc Testing 2 Help for this Page

**Agreement Edit** Save Save & New Cancel

**Information** Required Information

Agreement Name MW Doc Testing 2  
Account MW-RevTesting  
Related Opportunity  
Total Agreement Value 50,000.00  
Agreement Start Date 5/1/2015 [5/30/2015]  
Agreement End Date 5/26/2016 [5/30/2015]  
Term (Months) 12  
Description  
Special Terms  
Business Hours

Record Type RevRec  
Agreement Category Sales  
Currency USD - U.S. Dollar  
Status Category In Effect  
Status Activated  
Approval Status Approved  
Subtype Default  
Parent Agreement  
Primary Contact  
Requestor  
Owner

**Revenue Recognition**


RevRec Period Date 6/30/2015 [5/30/2015]  
RevRec Period Number 2  
RevRec Active

**Revenue Recognition Forecast**

RevRec Forecast Period Date 5/31/2015 [5/30/2015]  
RevRec Forecast Period Number 1  
RevRec Forecast End Date 5/30/2016 [5/30/2015]  
RevRec Forecast Active

**Note**

The following table displays Agreement Fields related to Revenue Recognition product. For a list of all the Agreement Fields, please refer Agreement Fields in the Contract Management User Guide.

Field Name	Installed Package	Description
<b>Agreement Name</b>	Standard field	Name of the agreement
<b>Created by</b>	Standard field (System Generated)	Name of the user who created the agreement.
<b>Currency</b>	Standard field	Currency in which the revenue will be displayed.
<b>Modified by</b>	Standard field (System Generated)	Name of the user who modified the agreement.
<b>Owner</b>	Standard field (System Generated)	Owner of the agreement.
<b>Record Type</b>	Standard field	Record type for the agreement. This field can not be edited.  <div>  For ASC-605, Record Type is set to <b>RevRec</b>. For ASC-606, Record Type is set to <b>ASC606</b>. </div>
<b>Related Opportunity</b>	Apttus CLM	Related to the agreement.
<b>Legal Entity Id</b>	Apttus Configuration & Pricing	Id of the Legal Entity
<b>Related Quote / Proposal</b>	Apttus Quote/Proposal-Contract Integration	Quote/ Proposal related to the agreement.
<b>Status Category</b>	Apttus CLM	Status Category of the revenue agreement. Select <b>In Effect</b> for Revenue Recognition product.
<b>Status</b>	Apttus CLM	Status of the revenue agreement. Select <b>Activated</b> for Revenue Recognition.

Field Name	Installed Package	Description
Agreement Start Date	Apttus CLM	Start Date of the revenue agreement term.
Agreement End Date	Apttus CLM	End Date of the revenue agreement term.
RevRec Active	Apttus Rev Rec	Flags the agreement for RevRec. Revenue Schedules will not be created for this agreement if this check box is cleared.
RevRec Forecast Active	Apttus Rev Rec	Flags the agreement for RevRec forecasting. Revenue Forecasts will not be generated if this check box is cleared.
RevRec Forecast End Date	Apttus Rev Rec	End date of RevRec forecasting.
RevRec Forecast Period Date	Apttus Rev Rec	The last day of the period revenue forecasts have been generated through.
RevRec Forecast Period Number	Apttus Rev Rec	Counter of last forecast period.
RevRec Period Date	Apttus Rev Rec	Last day of the current revenue period.
RevRec Period Number	Apttus Rev Rec	Counter of the current revenue period.

5. Click **Save**.

## Editing Agreements

You can make changes to an existing agreement by editing the agreement.

### To edit an Agreement

You must have already created an agreement.

1. Click the Agreements tab and select the appropriate agreement.

## 2. Click Edit.

Agreement  
MW Doc Testing 2

Customize Page | Edit Layout | Printable View | Help for this Page

Agreement Fees [2] | Agreement Revenue Adjustment Schedules [2] | Agreement Prepays [0] | Agreement Revenue Forecast Snapshots [0] | Agreement Revenue Schedule Forecasts [0] | Agreement Revenue Schedules [3] | Agreement Revenue Summary [1] | Agreement Revenue Snapshots [2] | Milestones [0] | Agreement Products [0] | Agreement Line Items [0] | Agreement Clauses [0] | Agreement Trueups [0]

**Agreement Detail** Edit Delete Clone

Agreement Number	00000475.0	Record Type	RevRec [Change]
Agreement Name	MW Doc Testing 2	Agreement Category	Sales
Account	MW-RevTesting	Status Category	In Effect
Related Opportunity		Status	Activated
Total Agreement Value	USD 50,000.00000	Approval Status	Approved
Agreement Start Date	5/1/2015	Subtype	Default
Agreement End Date	5/26/2016	Parent Agreement	
Term (Months)	12	Primary Contact	
Description		Requestor	
Special Terms		Owner	
Business Hours			
Send For eSignature			
Check eSignature Status			

## 3. Click Save after you make the appropriate changes.

## Managing Revenue Forecasts

Revenue Forecasts are used to predict a company's future financial state. This allows executives to plan future activities and provide guidance to investors and stakeholders on future performance. Forecasted Revenue differs from actual revenue as it is never posted to the GL and does not appear on financial statements.

You can perform the following activities to manage Revenue Forecasts on the Revenue Agreement page.

- [Generate Revenue Forecasts](#)
- [Rollback Revenue Forecasts](#)

## Generate Revenue Forecasts

Forecasted Revenue is an estimate of the amount of revenue that will be earned in future periods. As this is an estimate, it may or may not tie to actual revenue. The Generate Forecast Revenue job will calculate the revenue forecast for a single agreement from the current period through the end of the agreement term.

The **Generated Forecast Revenue** job on the agreement will generate revenue for this agreement only. To forecast revenue for all agreements, refer to [Using the Revenue Console](#).

## To generate Revenue Forecast

1. Select an appropriate agreement.
2. Under the Custom Links section, click **Generate Forecast Revenue2**.

### Note

The **Return** button will be gray and unselectable until the generation of the revenue forecast is complete.


3. Click **Return**.

**Note**

The Agreement Revenue Schedules will now reflect the updated revenue forecasts.

**Note**

For more information on Agreement Revenue Schedules, please refer [Agreement Revenue Schedules](#).


**Generate Revenue (Forecast)**

**Done!**
Return

**▼ Agreement Information**

Agreement Name	RevRec Prepay6	Agreement Start Date	10/7/2014
Agreement Number	00000281.0	Agreement End Date	10/7/2015
RevRec Forecast Period Date 🕒	10/31/2015	RevRec Forecast Period Number 🕒	13
Current Period Date 🕒	11/30/2014	RevRec Forecast Active 🕒	<input type="checkbox"/>

processing time 0 seconds.

## Rollback Revenue Forecasts

**Rollback Forecasts** enables to remove the forecast schedules for all fees in an Agreement.

Performing the Rollback Forecast action will rollback forecasts for the current agreement only. To rollback forecasts for all agreements, refer to [Using the Revenue Console](#). The Revenue Rollback will take place for one period at a time.

### To rollback revenue forecast

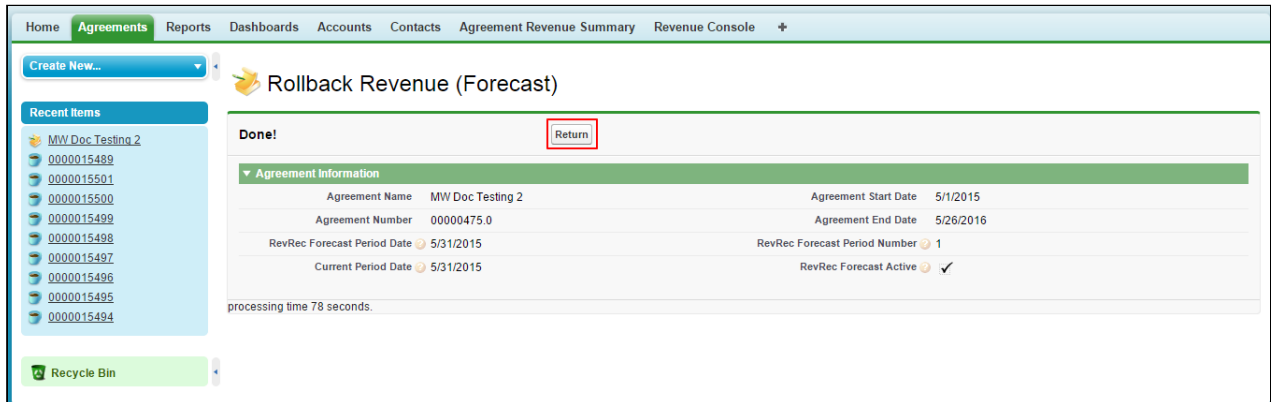
1. Select an appropriate agreement.
2. Under the Custom Links section, click **Rollback Forecast Revenue**.

**Custom Links**

<a href="#">Generate Forecast Revenue</a> <a href="#">Generate Forecast Revenue2</a> <a href="#">Rollback Forecast Revenue</a>	<a href="#">Generate Actual Revenue</a> <a href="#">Rollback Actual Revenue</a>
--	--

**Note**

Once started, the Rollback Forecast job will rollback revenue one period at a time until all forecasted revenue has been rolled back. The **Return** button will be grayed out until the process is completed.

3. Click **Return**.**Note**

The Agreement Revenue Schedules will no longer contain revenue forecasts after this action is complete.

## Managing Actual Revenue

**Actual Revenue** is the revenue data which will be posted to the General Ledger (GL) and reported on financial statements. Actual revenue differs from Budget and Forecast revenue which is used for planning purposes and not reported to GL.

You can perform the following activities to manage Actual Revenue on the Revenue Agreement page.

- [Generate Actual Revenue](#)
- [Rollback Actual Revenue](#)

## Generate Actual Revenue

**Actual Revenue** is the revenue earned for the current period. Actual revenue differs from Budget and Forecast revenue by reflecting the results of operations. Budget and Forecast revenue is used primarily for planning and may or may not be accurate.

**Generate Actual Revenue** is used to generate the actual revenue for the current period of the agreement. The Agreement Revenue Schedule for the current period will be updated to reflect the actual revenue amount. The RevRec Period Date is incremented to the end of next month and RevRec Period Number is incremented by 1.

**Note**

You can opt to account for or ignore the leap year while calculating revenue from Custom Settings. Go to Setup > Build > Develop > Custom Setting and click Manage for Revenue System Properties. Click Edit for System Properties and select **Ignore Leap Year For Revenue Recognition** to ignore the leap year for revenue recognition.

## To generate actual revenue

1. Select an existing agreement.
2. Under the **Custom Links** section, click **Generate Actual Revenue**.

**Note**

The **Return** button will be gray until the generation of actual revenue is complete.

Custom Links

[Generate Forecast Revenue](#)  
[Generate Forecast Revenue2](#)  
[Rollback Forecast Revenue](#)

[Generate Actual Revenue](#)  
[Rollback Actual Revenue](#)

3. Click **Return**.

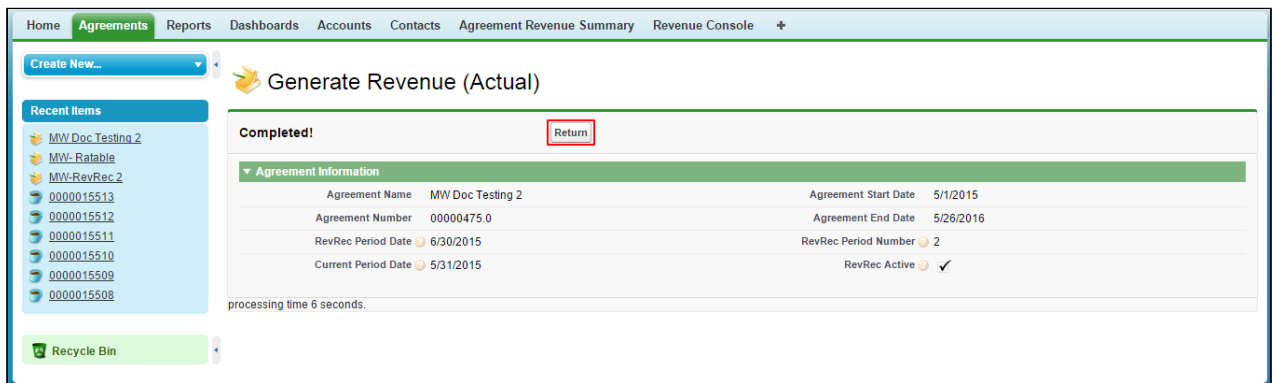
**Note**

The Agreement Revenue Schedules will now reflect actual revenue for the period.

Agreement Revenue Schedules										
		New Agreement Revenue Schedule				Agreement Revenue Schedules Help ?				
Action	Agreement Revenue Schedule Id	RevRec Source	Period Number	Period Date	Revenue Type	Revenue Subtype	RevRec Rule	Actual Units	Actual Amount	Actual Recognized Revenue
Edit   Del	0000007128	Fee		5/30/2015	Product	Advertising Revenue	Ratable	50.0000	USD 500.00000	USD 400.00000
Edit   Del	0000007129	Fee	1	5/31/2015	Product	Advertising Revenue	Ratable		USD 38.94000	USD 38.94000
Edit   Del	0000007130	Fee	1	5/31/2015	Product	Advertising Revenue	Ratable	20.0000		
Edit   Del	0000007131	Adjustment	1	5/31/2015	Product	Ecommerce Revenue				USD 50.00000
Edit   Del	0000007132	Adjustment	1	5/31/2015	Product	Commission Income				USD 20.00000

**Note**

Agreement Revenue Schedules are generated automatically when you click **Generate Forecast Revenue**. For more information on Agreement Revenue Schedules, please refer to [Agreement Revenue Schedules](#).



## Rollback Actual Revenue

**Rollback Actual Revenue** will rollback revenue for the current period.

### Note

Rollback Actual Revenue will run only if Actual Revenue has been generated for the current period.

When you rollback the actual revenue, it will impact the following objects.

- Delete all Agreement Revenue Schedules in the agreement for the current period.
- Delete all Agreement Revenue Snapshots in the agreement for the current period.
- Delete Actual Revenue data from the Agreement Revenue Summary in the agreement for the current period.

RevRec Period Date is decremented to the end of the previous month. RevRec Period Number is decremented by one.

## To rollback actual revenue

1. Select an existing agreement.
2. Under the **Custom Links** section and click **Rollback Actual Revenue**.

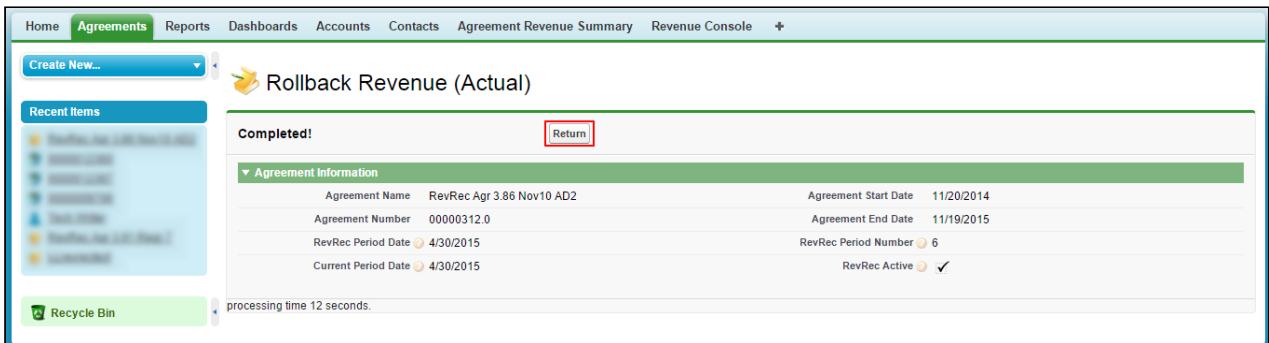
### Note

The **Return** button will be gray until the rollback of actual revenue is complete.





3. Click **Return**.



**Note**

The Agreement Revenue Schedules no longer reflect actual revenue for the period.

## Agreement Fees

**Agreement Fees** are the sources of revenue contained within a Revenue Agreement. Agreement Fees track the amount of revenue that will be recognized for each item and the period for which the revenue will be recognized. The method by which the revenue is recognized is determined by this object as well.

Agreement Fees have the fee details, effectivity period, start date, applicable products, applicable prepaids, and applicable trueups.

The activity history section displays the activities that have been done by the user in the past. One Agreement can have one or more Agreement Fees.

The following table describes the fields in the agreement fee object.

Field Name	Description
<b>Agreement</b> (System Generated)	Name of the parent agreement.
<b>RevRec Term</b> (System Generated)	Duration of the period over which revenue will be allocated. RevRec Term is used to calculate the amount of revenue to be recognized each month.
<b>Agreement Fee ID</b> (System Generated)	Id of Agreement Fee.

Field Name	Description
Fee Type	The available options are <b>Flat Fee</b> or <b>Usage</b> .
RevRec Rule	Revenue recognition policy that is applicable to this fee.
Flat Fee Amount	Total amount of revenue to be recognized on this fee.
Usage Amount	Total amount of revenue to be recognized on this fee based on actual usage entered.
Fees	The available options are <b>One Time</b> or <b>Recurring</b> .
Frequency	Frequency at which the revenue has to be calculated. The available options are <b>Monthly</b> , <b>Quarterly</b> , or <b>Yearly</b> .
Actual Start Date	Start date of the revenue period. It is used with RevRec Term to determine the end date of the revenue period.
Current Period Date	End date of the current period for generating Actual Revenue.
Current Period Number	Term number for generating Actual Revenue.
Active	Flags fee as Active or Inactive for RevRec.
Cumulative Actual Units	Total of all active usage units.
Cumulative Actual Amount	Total of all earned revenue for this fee.
Deferred Balance Amount	Deferred balance for this fee.
Forecast Period Date	End date for the current forecasting period.
Forecast Period Number	Term number for the current forecasting period.
Forecast Active	Flags fee as active or inactive for forecasting.
Forecast Cumulative Actual Units	Sum of all forecast usage units.
Forecast Cumulative Actual Amount	Sum of all forecast amounts.
Forecast Deferred Balance Amount	Deferred balance after all forecasted earned revenue.

## Creating Agreement Fees

Agreement Fees are created when you populate the Ready for Revenue Recognition date on the order line item. To create agreement fees,

1. Create a quote and add your product in the cart. Finalize the cart.
2. Accept the quote to create order and order line items.
3. Activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date and ready for billing date. Click **Save**.
5. Edit the order and enter the revenue recognition date.
6. Click **Save**.  
Revenue Agreement, Agreement Fees, and Performance Obligations are created.

## Editing Agreement Fees

Follow the steps mentioned below to edit an agreement fee.

### To edit an agreement fee

1. Select an appropriate agreement.
2. Under the Agreement Fee section, click **Edit** next to the agreement fee you want to edit.

#### Note

You cannot edit the **Fee Type**, **Fee Amount** and **RevRec Rule**.

3. Make appropriate changes to the agreement fee and click **Save**.

## Editing Start Date for Immediate RevRec Rule

Editing the **Fixed Start Date** of the Agreement Fees is only allowed for products with **RevRec Rule** as *Immediate*. When you edit the start date of the agreement fees, the start date of the Performance Obligation and Agreement Line Item is also changed.

If the new fixed start date falls within the agreement period, the start date of the performance obligation and agreement line item is changed to the new start date. If the new fixed start date falls before the agreement start date, the agreement start date is also changed and set as the new start date.

## Tracking Fee Completion

With the help of a Percentage completion button, you can track the progress of a revenue fee towards completion. You need to enter the completion percentage of a revenue fee for each month in the term. Based on your inputs, the system will create appropriate revenue schedules to recognize the revenue.

## Configuration

1. If you have upgraded to the latest package, you need to add the new Revenue Rule 'Percent Complete' to the **RevRec Rule** picklist. Go to the **Agreement Fee** object, under **Custom Fields & Relationships** select the **RevRec Rule** field and click **New** to add the Percent Complete rule.  
For a new install, this rule is available in the picklist.

2. Edit the **Agreement Fee** object Layout and add the **Enter % Complete** and **Enter Forecast % Complete** buttons to the page layout.

## Procedure

1. Open the **Agreement** for which you want to track the Agreement Fee.
2. From the **Agreement Fee** related list, open the Agreement Fee for which you want to track or enter the completion percentage.
3. From the **Agreement Fee Detail** page, click **Enter % Complete** button to open the **Completion Percentage** user-interface.
4. Enter **Input Completion Percentage** by entering the **Actual Percent Complete** and **Actual Current Month Revenue** values.

**Input Completion Percentage** Save Cancel

**Fee Details**

Revenue Type	Product	Agreement	<a href="#">Percent Complete</a>
Revenue Subtype	Advertising Revenue	Fee Type	Per Unit
RevRec Rule	<a href="#">Percent Complete</a>		

**Enter Actuals**

Period	Period Date	Actual Percent Complete	Current Month Actual	Actual Current Month Revenue	Comments	Forecast Percent Complete	Current Month Forecast	Forecast Current Month Revenue
1	9/30/2016	<input type="text" value="10"/>	10%	<input type="text" value="1000"/>				
2	10/31/2016							
3	11/30/2016							
4	12/31/2016							
5	1/31/2017							
6	2/28/2017							
7	3/31/2017							
8	4/30/2017							
9	5/31/2017							
10	6/30/2017							
11	7/31/2017							
12	8/31/2017							

Field Name	Description
<b>Period Date</b>	This field denotes the End Date of the Revenue Recognition period for the respective line.
<b>Actual Percent Complete</b>	Enter the cumulative completion percentage for this period. For example, if the project is at a completion stage of 40%, enter 40 here.
<b>Current Month Actual</b>	The portion of cumulative percentage attributed to this month.
<b>Actual Current Month Revenue</b>	System derives this value from the formula: Total revenue for this fee * Current Month Actual
<b>Comments</b>	You can enter comments for this revenue completion input.


5. Click **Save** after you have entered the Actuals for Completion Percentage.

You can track the **Actual % Complete** for the current revenue period only.

Similarly, you can also track forecast revenue for Agreements with Percent Complete Revenue Rule. You can track Forecast % Complete for all the revenue periods.


## Agreement Revenue Schedules

**Agreement Revenue Schedules** are used to store the amount of revenue to be recognized during a period for a revenue fee. The actual revenue, as well as the forecasted revenue, can be found here.

 Agreement Revenue Schedules are created systematically by the **Generate Actual Revenue** and **Generate Forecast Revenue** jobs.

## Agreement Fee Schedules for Extended Contracts

If your contract term gets extended, you can generate agreement fee schedules for the extended term. To accommodate extensions in your contract terms, you can edit the agreement fee and enter the new end date of your contract. On revising the contract end date, new agreement fee schedules are generated for the extended terms and obligation date is extended to reflect the agreement fee extension.

 Apttus recommends changing the end date of the Agreement Fee through the standard Salesforce UI.

Generating agreement fee schedules for extended contracts is applicable only for Agreements with **RevRec Rule** as *Percent Complete*.

**Use Case:** Generating agreement fee schedules for an extended term of the contract

**Description:** This use case describes how to generate agreement fee schedules for the extended term of the contract.

Suppose you are the financial admin of a hardware company and your company has a contract to deliver 100 laptops every month from 1/1/2018 to 6/30/2018. Due to a delay in the delivery, you need to extend the contract end date to 8/31/2018.

**Pre-requisites:** Generate an agreement and agreement fee schedules for the contract period of 1/1/2018 to 6/30/2018.

To generate an agreement fee schedule for the extended term,

1. Navigate to your agreement fee record. The following agreement fee schedules are generated.

Agreement Fee Schedule ID	Period Number	Period Date
AF0001	1	1/31/2018
AF0002	2	2/28/2018
AF0003	3	3/31/2018
AF0004	4	4/30/2018

Agreement Fee Schedule ID	Period Number	Period Date
AF0005	5	5/31/2018
AF0006	6	6/30/2018

- Click **Edit**.
- Enter your new end date 8/31/2018, in **Fixed End Date**.
- Click **Save**.
- Navigate back to your agreement fee record. The following 2 new agreement fee schedules are generated.

Agreement Fee Schedule ID	Period Number	Period Date
AF0001	1	1/31/2018
AF0002	2	2/28/2018
AF0003	3	3/31/2018
AF0004	4	4/30/2018
AF0005	5	5/31/2018
AF0006	6	6/30/2018
AF0007	7	7/31/2018
AF0008	8	8/31/2018

You can now enter the **Forecast % Complete** for the newly created agreement fee schedules to recognize the revenue.

## Terminating an Extended Contract

When you terminate an extended contract, negative revenue is recognized to compensate for the recognized revenue. To terminate an extended contract,

- Create a Quote/Proposal.
- From the Installed Products, select your asset to terminate.
- Enter the asset end date and click Terminate.
- Activate the order by entering order activation date and ready for billing date.
- Click **Save**.
- Edit the order and enter Ready for Revenue Recognition. Click **Save**.
- Agreement and Agreement Fees are created for the terminated contract.
- Activate your agreement by setting Status Category as In Effect and Status as Activated.

Agreement Fee record is created with a negative Fee Amount. The Fixed Start Date of the agreement fee is set as the date of asset termination + 1. The Fixed End Date is set as the end date of your extended agreement.

## Manage

After setting up your initial plan for recognizing revenue, it may be necessary to perform various maintenance activities. Some revenue may be dependent upon usage that needs to be uploaded. As more information becomes available, it may be appropriate to update forecast and budget revenue to provide more accurate forecast reports. Or it may be necessary to adjust your existing revenue schedules to account for exceptions to business activities.

To accommodate all of the varied scenarios you may run into that impact revenue, Apttus Revenue Recognition supports a number of actions including:

- [Manage Usage](#)
- [Manage Adjustments](#)

## Usage

You can perform the following tasks under manage usage.

- [Manage Actuals](#)
- [Manage Forecast](#)
- [Manage Budget](#)

## Managing Actuals

**Actuals** represent usage during a period and may or may not tie directly to forecasted and budgeted usage. Revenue for a usage fee for a period is generated from the Actuals usage value.

Actuals are managed from the Agreement Fee and can only be entered for the current period.

## To enter Actuals

1. Select the appropriate Agreement.
2. Select the appropriate Agreement Fee.
3. Click **Enter Actuals**.

### Note

You can override the calculated actual revenue amount using the **Actual Amount Override** field.

4. Complete the following fields as per the table.

Period	Period Date	Actual Units	Actual Amount	Actual Amount Override (USD)	Comments	Forecast Units	Forecast Amount	Forecast Amount Override
2	6/30/2015	50.0000	USD 100.00000	1000		50.0000	USD 750.00000	USD 0.00000
3	7/31/2015		USD 0.00000			60.0000	USD 50.00000	USD 50.00000
4	8/31/2015		USD 0.00000			60.0000	USD 50.00000	USD 50.00000
5	9/30/2015		USD 0.00000			60.0000	USD 100.00000	USD 100.00000
6	10/31/2015		USD 0.00000			60.0000	USD 100.00000	USD 100.00000
7	11/30/2015		USD 0.00000			70.0000	USD 300.00000	USD 300.00000
8	12/31/2015		USD 0.00000			70.0000	USD 300.00000	USD 300.00000
9	1/31/2016		USD 0.00000			70.0000	USD 500.00000	USD 500.00000
10	2/29/2016		USD 0.00000			70.0000	USD 500.00000	USD 500.00000
11	3/31/2016		USD 0.00000			65.0000	USD 500.00000	USD 500.00000
12	4/30/2016		USD 0.00000			65.0000	USD 600.00000	USD 600.00000
13	5/31/2016		USD 0.00000			65.0000	USD 600.00000	USD 600.00000

Field Name	Description
Actual Units	Actual units
Actual Amount Override	Actual amount override
Comments	Comments (if any)



5. Click **Save**.

## To edit Actuals

1. Select an appropriate agreement.
2. Select an appropriate agreement fee.
3. Click **Enter Actuals** and enter the appropriate units and amount.

**Agreement Fee Detail** Edit Delete Clone Enter Actuals Enter Forecast Enter Budget

Agreement Fee Id	0000002917	Agreement	MW Doc Testing 2
Revenue Type	Services	RevRec Term	11.5053763500
Revenue Subtype	Software Maintenance	Current Period Date	6/30/2015
Fee Type	Per Unit	Current Period Number	2
Flat Fee		Cumulative Actual Units	
Unit Price	USD 15.00000	Cumulative Actual Amount	
Percent of Revenue		Number Of Adjustments	0
RevRec Rule	Ratable	Actual Monthly Price	
Active	<input checked="" type="checkbox"/>		
Comments			
Invoice Date			
Invoice Number			
Quantity			

4. Click **Save**.

**Input Actual Fee** Save Cancel

▼ Fee Details

Revenue Type	Services	Agreement	MW Doc Testing 2
Revenue Subtype	Software Maintenance	Fee Type	Per Unit
RevRec Rule	Ratable		

▼ Enter Actuals

Period	Period Date	Actual Units	Actual Amount	Actual Amount Override (USD)	Comments	Forecast Units	Forecast Amount	Forecast Amount Override
2	6/30/2015	60.0000	USD 1,000.00000	1,500.0000		50.0000	USD 750.00000	USD 0.00000
3	7/31/2015		USD 0.00000			60.0000	USD 50.00000	USD 50.00000
4	8/31/2015		USD 0.00000			60.0000	USD 50.00000	USD 50.00000
5	9/30/2015		USD 0.00000			60.0000	USD 100.00000	USD 100.00000
6	10/31/2015		USD 0.00000			60.0000	USD 100.00000	USD 100.00000
7	11/30/2015		USD 0.00000			70.0000	USD 300.00000	USD 300.00000
8	12/31/2015		USD 0.00000			70.0000	USD 300.00000	USD 300.00000
9	1/31/2016		USD 0.00000			70.0000	USD 500.00000	USD 500.00000
10	2/29/2016		USD 0.00000			70.0000	USD 500.00000	USD 500.00000
11	3/31/2016		USD 0.00000			65.0000	USD 500.00000	USD 500.00000
12	4/30/2016		USD 0.00000			65.0000	USD 600.00000	USD 600.00000
13	5/31/2016		USD 0.00000			65.0000	USD 600.00000	USD 600.00000

Save Cancel

## Managing Forecasts

**Forecasts** represent the predicted usage for an agreement fee. Unlike actuals, forecast usage can be entered for all periods within the term of an agreement fee. If desired, forecast override amount can be used to override the calculated forecasted revenue.

**i** Forecast Revenue is an estimate of future usage and may not tie with actual usage.

### To enter forecast

1. Select the appropriate agreement.
2. Select the appropriate agreement fee.
3. Click **Enter Forecast**.

The screenshot displays the 'Agreement Fee Detail' page in Salesforce. The 'Enter Forecast' button is highlighted with a red box. The page shows details for Agreement Fee Id 0000002917, Revenue Type Services, Revenue Subtype Software Maintenance, Fee Type Per Unit, Flat Fee, Unit Price USD 15.00000, Percent of Revenue, RevRec Rule Ratable, Active checkbox, Comments, Invoice Date, Invoice Number, and Quantity. The right sidebar shows Agreement MW Doc Testing 2, RevRec Term 11.5053763500, Current Period Date 6/30/2015, Current Period Number 2, Cumulative Actual Units, Cumulative Actual Amount, Number Of Adjustments 0, and Actual Monthly Price.

4. Complete the fields as per the table.

**APTUS**  
Configure - Quote - Contract

Search... Search

Help & Training Apttus Revenue Management

Home **Agreements** Reports Dashboards Accounts Contacts Agreement Revenue Summary Revenue Console

Create New...

**Recent Items**

- MW-Doc-Testing 2
- MW-Usage
- MW-RevTesting
- 0000015648
- 0000015647
- 0000015646
- 0000015645
- 0000015644
- 0000015643
- 0000015642

Recycle Bin

**Input Fee Forecast** Save Cancel

**Fee Details**

Revenue Type Services Agreement MW-Doc-Testing 2

Revenue Subtype Software Maintenance Fee Type Per Unit

RevRec Rule Ratable

**Enter Forecast**

Period	Period Date	Forecast Units	Forecast Amount	Forecast Amount Override (USD)	Actual Units	Actual Amount	Actual Amount Override	Comments
2	6/30/2015	50.0000	USD 750.00000	0.0000	50.0000	USD 100.00000	USD 100.00000	
3	7/31/2015	60.0000	USD 50.00000	50.0000		USD 0.00000		
4	8/31/2015	60.0000	USD 50.00000	50.0000		USD 0.00000		
5	9/30/2015	60.0000	USD 100.00000	100.0000		USD 0.00000		
6	10/31/2015	60.0000	USD 100.00000	100.0000		USD 0.00000		
7	11/30/2015	70.0000	USD 300.00000	300.0000		USD 0.00000		
8	12/31/2015	70.0000	USD 300.00000	300.0000		USD 0.00000		
9	1/31/2016	70.0000	USD 500.00000	500.0000		USD 0.00000		
10	2/29/2016	70.0000	USD 500.00000	500.0000		USD 0.00000		
11	3/31/2016	65.0000	USD 500.00000	500.0000		USD 0.00000		
12	4/30/2016	65.0000	USD 600.00000	600.0000		USD 0.00000		
13	5/31/2016	65.0000	USD 600.00000	600.0000		USD 0.00000		

Save Cancel

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Field Name	Description
Forecast Units	Forecast units
Forecast Amount Override	Forecast amount override

5. Click **Save**.

#### To edit Forecasts

1. Select an appropriate agreement.
2. Select an appropriate agreement fee.
3. Click **Enter Forecast** and enter the appropriate units and amount.

**Agreement Fee Detail** Edit Delete Clone Enter Actuals **Enter Forecast** Enter Budget

Agreement Fee Id	0000002917	Agreement	MW Doc Testing 2
Revenue Type	Services	RevRec Term	11.5053763500
Revenue Subtype	Software Maintenance	Current Period Date	6/30/2015
Fee Type	Per Unit	Current Period Number	2
Flat Fee		Cumulative Actual Units	
Unit Price	USD 15.00000	Cumulative Actual Amount	
Percent of Revenue		Number Of Adjustments	0
RevRec Rule	Ratable	Actual Monthly Price	
Active	<input checked="" type="checkbox"/>		
Comments			
Invoice Date			
Invoice Number			
Quantity			

4. Click **Save**.

**Input Fee Forecast** **Save** Cancel

▼ Fee Details

Revenue Type	Services	Agreement	MW Doc Testing 2
Revenue Subtype	Software Maintenance	Fee Type	Per Unit
RevRec Rule	Ratable		

▼ Enter Forecast

Period	Period Date	Forecast Units	Forecast Amount	Forecast Amount Override (USD)	Actual Units	Actual Amount	Actual Amount Override	Comments
2	6/30/2015	50.0000	USD 750.00000	0.0000	60.0000	USD 1,500.00000	USD 1,500.00000	
3	7/31/2015	60.0000	USD 50.00000	50.0000		USD 0.00000		
4	8/31/2015	75.0000	USD 50.00000	25.0000		USD 0.00000		
5	9/30/2015	60.0000	USD 100.00000	100.0000		USD 0.00000		
6	10/31/2015	60.0000	USD 100.00000	100.0000		USD 0.00000		
7	11/30/2015	70.0000	USD 300.00000	300.0000		USD 0.00000		
8	12/31/2015	70.0000	USD 300.00000	300.0000		USD 0.00000		
9	1/31/2016	70.0000	USD 500.00000	500.0000		USD 0.00000		
10	2/29/2016	70.0000	USD 500.00000	500.0000		USD 0.00000		
11	3/31/2016	65.0000	USD 500.00000	500.0000		USD 0.00000		
12	4/30/2016	65.0000	USD 600.00000	600.0000		USD 0.00000		
13	5/31/2016	65.0000	USD 600.00000	600.0000		USD 0.00000		

## Managing Budget

**Budget** represented the budgeted usage for an agreement fee. In Apttus Revenue Recognition, you can plan your Budget Units, Budget Amount Override, and Budget Recognized Revenue from an Agreement Fee. Entering the budget doesn't affect Agreement Revenue Schedules. Entering budget helps in better visualization of the real scenario - you plan a budget, you plan a forecast and you enter the actuals. You can generate the reports and see the difference.

### To enter budget

1. Select appropriate agreement.

2. Select appropriate agreement fee.
3. Click **Enter Budget**.

4. Complete the following field as per table.

Period	Period Date	Budget Units	Budget Amount	Budget Amount Override (USD)	Budget Recognized Revenue (USD)	Forecast Units	Forecast Amount	Forecast Amount Override
2	6/30/2015	70.0000	USD 500.00000	500.0000	1,000.0000	50.0000	USD 100.00000	USD 100.00000
3	7/31/2015	70.0000	USD 500.00000	500.0000	1,000.0000		USD 0.00000	
4	8/31/2015	70.0000	USD 500.00000	500.0000	1,000.0000		USD 0.00000	
5	9/30/2015	70.0000	USD 500.00000	500.0000	1,000.0000		USD 0.00000	
6	10/31/2015	100.0000	USD 700.00000	700.0000	1,000.0000		USD 0.00000	
7	11/30/2015	100.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	
8	12/31/2015	100.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	
9	1/31/2016	100.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	
10	2/29/2016	100.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	
11	3/31/2016	120.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	
12	4/30/2016	120.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	
13	5/31/2016	120.0000	USD 700.00000	700.0000	1,200.0000		USD 0.00000	

Field Name	Description
Budget Units	Budget units

Field Name	Description
Budget Amount Override	Budget amount override
Budget Recognized Revenue	Budget recognized revenue

5. Click **Save**.

### To edit Budget

1. Select an appropriate agreement.
2. Select an appropriate agreement fee.
3. Click **Enter Budget** and enter the appropriate units and amount.

Agreement Fee Detail		Edit	Delete	Clone	Enter Actuals	Enter Forecast	Enter Budget
Agreement Fee Id	0000002917				Agreement	MW Doc Testing 2	
Revenue Type	Services				RevRec Term	11.5053763500	
Revenue Subtype	Software Maintenance				Current Period Date	6/30/2015	
Fee Type	Per Unit				Current Period Number	2	
Fiat Fee					Cumulative Actual Units		
Unit Price	USD 15.00000				Cumulative Actual Amount		
Percent of Revenue					Number Of Adjustments	0	
RevRec Rule	Ratable				Actual Monthly Price		
Active	<input checked="" type="checkbox"/>						
Comments							
Invoice Date							
Invoice Number							
Quantity							

4. Click **Save**.

**Input Fee Budget** Save Cancel

**Fee Details**

Revenue Type: Services Agreement: [MW Doc Testing 2](#)

Revenue Subtype: Software Maintenance Fee Type: Per Unit

RevRec Rule: [Ratable](#)

**Enter Budget**

Period	Period Date	Budget Units	Budget Amount	Budget Amount Override (USD)	Budget Recognized Revenue (USD)	Forecast Units	Forecast Amount	Forecast Amount Override
2	6/30/2015	50.0000	USD 750.00000	0.0000		50.0000	USD 750.00000	USD 0.00000
3	7/31/2015	60.0000	USD 50.00000	50.0000		60.0000	USD 50.00000	USD 50.00000
4	8/31/2015	60.0000	USD 50.00000	50.0000		75.0000	USD 25.00000	USD 25.00000
5	9/30/2015	69.0000	USD 100.00000	123.0000		60.0000	USD 100.00000	USD 100.00000
6	10/31/2015	60.0000	USD 100.00000	100.0000		60.0000	USD 100.00000	USD 100.00000
7	11/30/2015	70.0000	USD 300.00000	300.0000		70.0000	USD 300.00000	USD 300.00000
8	12/31/2015	70.0000	USD 300.00000	300.0000		70.0000	USD 300.00000	USD 300.00000
9	1/31/2016	70.0000	USD 500.00000	500.0000		70.0000	USD 500.00000	USD 500.00000
10	2/29/2016	70.0000	USD 500.00000	500.0000		70.0000	USD 500.00000	USD 500.00000
11	3/31/2016	65.0000	USD 500.00000	500.0000		65.0000	USD 500.00000	USD 500.00000

## Agreement Revenue Adjustments

**Agreement Revenue Adjustments** represent the changes to the amount of revenue recognized during a period. Revenue Adjustments have their own revenue schedules. These are used to record one-time changes to revenue that do not carry over to multiple periods.

## To add Agreement Revenue Adjustment Schedules

1. Select an appropriate agreement.
2. Under the Agreement Revenue Adjustments Schedules section, click **New Agreement Revenue Adjustments Schedules**.

**Agreement Fees** New Agreement Fee Agreement Fees Help ?

Action	Agreement Fee Id	Active	Revenue Subtype	Fee Type	RevRec Rule	Unit Price	Quantity	Fixed Start Date	Fixed End Date	Flat Fee
<a href="#">Edit</a>   <a href="#">Del</a>	0000002912	<input type="checkbox"/>	Advertising Revenue	Per Unit	Ratable	USD 10.00000		5/1/2015	5/26/2016	
<a href="#">Edit</a>   <a href="#">Del</a>	0000002913	<input checked="" type="checkbox"/>	Advertising Revenue	Flat Fee	Ratable			5/1/2015	5/26/2016	USD 500.00000

**Agreement Revenue Adjustment Schedules** New Agreement Revenue Adjustment Schedule Agreement Revenue Adjustment Schedules Help ?

Action	Revenue Adj Id	Period Date	Adjustment Amount	Revenue Type	Revenue Subtype
<a href="#">Edit</a>   <a href="#">Del</a>	0000000005	5/31/2015	USD 20.00000	Product	Commission Income
<a href="#">Edit</a>   <a href="#">Del</a>	0000000006	5/31/2015	USD 50.00000	Product	Ecommerce Revenue

3. Complete the following fields as per the table.

Home **Agreements** Reports Dashboards Accounts Contacts Agreement Revenue Summary Revenue Console +

Create New...

Recent Items

- MW Doc Testing 2
- MW-RevRec 2
- 0000015513
- 0000015512
- 0000015511
- 0000015510
- 0000015509
- 0000015508
- 0000015507
- 0000015506

Recycle Bin

Agreement Revenue Adjustment Schedule Edit

Save Save & New Cancel

Information

Period Date 5/30/2015 [5/30/2015]

Adjustment Amount 50

Revenue Type Product

Revenue Subtype Ecommerce Revenue

Comments

Agreement MW Doc Testing 2

Save Save & New Cancel

Field Name	Description
Period Date	Period date of Rev Rec Agreement
Agreement	The Agreement for which you want to create Agreement Revenue Adjustment Schedule.
Adjustment Amount	Adjustment amount of the agreement
Revenue Type	Revenue type from the drop down menu
Revenue Subtype	Revenue subtype from the drop down menu
Comments	Comments (if any)

- Click **Save**.

## To edit Agreement Revenue Adjustment Schedules

- Select an appropriate agreement.
- Under the Agreement Revenue Adjustment Schedules, click **Edit** next to the appropriate agreement revenue adjustment schedule.

Agreement Revenue Adjustment Schedules

New Agreement Revenue Adjustment Schedule

Agreement Revenue Adjustment Schedules Help ?

Action	Revenue Adj Id	Period Date	Adjustment Amount	Revenue Type	Revenue Subtype
<a href="#">Edit</a> <a href="#">Del</a>	0000000005	5/31/2015	USD 20.00000	Product	Commission Income
<a href="#">Edit</a> <a href="#">Del</a>	0000000006	5/31/2015	USD 50.00000	Product	Ecommerce Revenue



3. Make the appropriate changes and click **Save**.

Agreement Revenue Adjustment Schedule Edit 0000000005 [Help for this Page](#)

**Agreement Revenue Adjustment Schedule Edit**

**Information** ! = Required Information

Revenue Adj Id 0000000005 Agreement MW Doc Testing 2

Period Date

Adjustment Amount

Revenue Type

Revenue Subtype

Comments

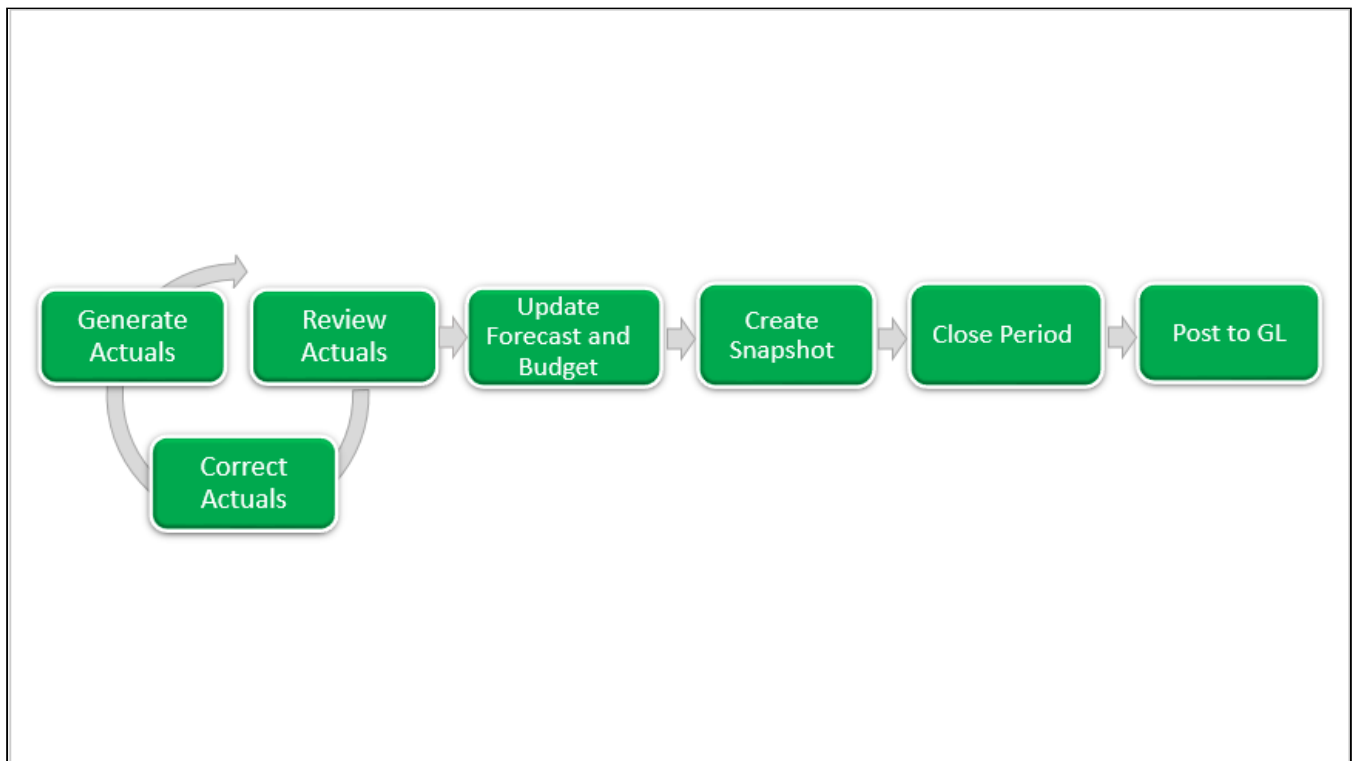
## Post

At the end of every period, the Finance team closes the period and posts the revenue totals in their GL. This allows the company to report the amount of revenue that was generated in that period. During the close process, revenue teams will be managing revenue across all agreements. The Revenue Console is used to manage all agreements and revenue for the period during the close.


For more information on Revenue Console, refer to [Using the Revenue Console](#).

## Close Process

The Close Process is the activities that are performed by the Finance team to finalize the numbers they will report on their financial statements. The Revenue Recognition Close is the portion of close which relates to finalizing their revenue numbers for the period. The diagram below depicts the Close Process used in Apttus Revenue Recognition.



The details of each activity and its related activity from Revenue Console is described in the table.

Activity	Action from Revenue Console	Description
Generate Actuals	Generate Actual Revenue	Generate actual revenue for all the agreements.  <div>  Correct errors on Agreements if they are listed in the <b>Eligible Agreements Report</b>.         </div>
Review Actuals	Review Summary Report and Revenue Schedule Detail Report	Review summary reports and revenue schedule detail reports for exceptions.
Correct Actuals		Correct exceptions on individual agreements and agreement fees, if found any.
Update Forecast and Budget	Actual to Forecast	Copy the actual revenue to the forecast revenue for accurate forecasts.
Update Forecast and Budget	Forecast to Budget	Copy the forecast revenue to the budget.
Create Snapshots	Create Forecast Snapshot	Create forecast snapshots for all the agreements.
Close Period	Close Period	Looks current period and advances to the next period.
Post to GL	Generate closing revenue entries and post to GL	Records recognized revenue for the current period in the GL.

## Using the Revenue Console

The **Revenue Console** is the primary screen for managing all revenue agreements at one time. The console provides detailed and summary revenue and allows the user to perform a variety of actions on all agreements.

Click on **Revenue Console** Tab, and select the Legal Entity to manage revenue.

The image shows the Revenue Recognition Console for the selected Legal Entity.

**Revenue Recognition Console** Generate Actuals Generate Forecasts ▼

Legal Entities: Reg Test Current Period Date: 9/30/2019

▼ Revenue Summary

1  
Eligible Agreements

0  
Revenue Summaries

0  
Ready to Forecast Agreements

▼ Reports

[Eligible Agreement Report](#) [Revenue Summary Report](#) [Revenue Schedule Report](#)

The following table gives details of the RevRec Summary fields and their description.

RevRec Summary Item	Description
<b>Current Period Date</b>	End date of the current period
<b>Eligible Agreements</b>	Number of Agreements that do not have actual revenue for the current period.
<b>Revenue Summaries</b>	Number of revenue summaries that are included in the current RevRec Period. The revenue summary count is stored in the Custom Setting, Console Rev Summary Count. For more details, refer to <b>Revenue Agreement Filter Properties</b> topic in <i>Revenue Recognition on Salesforce Administrator Guide</i> .
<b>Ready to Forecast Agreements</b>	Number of Agreements that do not have forecasted revenue for the current period.
<b>Eligible Agreement Report</b>	Report of all Eligible Agreements in the current RevRec period.
<b>Revenue Summary Report</b>	Summary of all recognized revenue for the current period.
<b>Revenue Schedule Report</b>	Report of all Revenue Schedules in the current RevRec period.

## To access revenue console

Click the Revenue Console tab.

-or-

Click  and select Revenue Console.

## To manage revenue

1. Click the **Revenue Console** tab.
2. Select the Legal Entity.
3. Click the appropriate button to submit revenue run job.

The appropriate process is submitted and you are navigated to the Revenue Run Result Detail page. The following table displays the actions and their descriptions that can be performed on the agreements in a batch:

Action Button	Description
Generate Actual	Generate the actual revenue for all the agreements.
Rollback Actual	Rollback the actual revenue for all the agreements.
Generate Forecast	Generate the forecast revenue for all the agreements.
Rollback Forecast	Rollback the forecast revenue for all the agreements.

4. Click Return.

## Managing Actual Revenue using Revenue Console

During the **Generate Actuals** step of the Rev Rec Close process, finance teams need to generate actual revenue for all agreements belonging to a particular Legal Entity. The **Generate Actual** and **Rollback Actual** buttons on Revenue console allow finance teams to manage all agreements and agreement fees of a legal entity with a single action.

You can perform the following actions to manage Actual Revenue from Revenue Console.

- Generate Actual
- Rollback Actual

Execution of Generate Actual or Rollback Actual batch job creates a record in the **Revenue Run Result** object. If the batch job execution fails or any agreement is not processed, a record is created in the **Revenue Run Result Entry** object.

**Revenue Run Result Entry** captures the failure result of the batch job. A The email notification is sent to the email ID of the logged in user. Email notification contains the following information:

- Number of batch jobs processed
- Number of Agreements Processed
- Number of Agreements Successfully Processed
- Number of Failed/Filtered/Invalid Agreements.

In case a batch job fails, the email notification contains a .csv file with error details and error message about the root cause of the batch job failure.

To enable email notifications, set **Enable Email Notification** as true from Revenue System Properties.

## Generate Actual Revenue

**Generate Actual** generates actual revenue for this period for all agreements.

The **Generate Actual** button runs **Generate Actual Revenue Job** on all agreements. Requirements for generating actual revenue for each agreement and agreement fee are unchanged from the **Generate Actual Revenue** job which can be run from individual agreements. For more information on the **Generate Actual Revenue** job, refer to [Generate Actual Revenue](#).

**Eligible Agreement Reports** provides a view of all agreements which have not had revenue generated for this period. Actual revenue for each agreement in this report is generated by **Generate Actual** action. **Eligible Agreement Reports** will have 0 agreements after **Generate Actual** is run.

## To generate actuals using Revenue Console,

1. Click the **Revenue Console** tab.
2. Select the Legal Entity.
3. Click **Generate Actual**.

The appropriate process begins and you are redirected to the **Revenue Run Result Detail** page.

Agreement Revenue Schedules will be updated to include actual revenue for the current period.

## Rollback Actual Revenue

**Rollback Actual Revenue** reverses the actual revenue for this period for all the agreements.

The **Rollback Actual** button runs the **Rollback Actual Revenue Job** on all agreements. Requirements for rolling back actual revenue for each agreement and agreement fee are unchanged from the **Rollback Actual Revenue** job which can be run from individual agreements. For more information on the **Rollback Actual Revenue** job, refer to [Rollback Actual Revenue](#).

After this job completes, **Eligible Agreements Report** contains all agreements where:

- **RevRec Active** box must be checked.
- **RevRec Period Date** on the agreement must be same as the **Current Period Date** on the **Revenue Console**.
- **Status Category** must be **In Effect**.
- **Status** must be **Activated**.

## To rollback actual revenue using Revenue Console,

1. Click the **Revenue Console** tab.
2. Select the Legal Entity.
3. Click **Rollback Actual**.

The appropriate process begins and you are redirected to the **Revenue Run Result Detail** page.

Agreement Revenue Schedules are updated to reflect the rollback of actual revenue for the current period.

## Use Case: Generating Actual Revenue

Actual Revenue is recognized based on the **RevRec Rule** set on the **Product Line Item**.

To Generate Actual Revenue for a Product:

1. Create a Quote and add your product in the cart. Finalize the cart.
2. Accept the Quote to create order and order line items.
3. Activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date and ready for billing date. Click Save.
5. Edit the order and enter the revenue recognition date.
6. Click **Save**.  
Revenue Agreement, Agreement Fees, and Performance Obligations are created.
7. Navigate to your agreement fee and activate it. To activate an agreement, set **Status Category** as *In Effect* and **Status** as *Activated*.
8. Navigate to the revenue console and click **Generate Actuals**.

Agreement Revenue Schedules are created.

Expand the use cases to understand how revenue is recognized or different RevRec Rules.

#### **Actual Revenue for RevRec Rule as Immediate**

Immediate RevRec is used to recognize revenue for products with Charge Type as One Time Fee or Installation Fee.

For RevRec Rule as Immediate, a single Agreement Revenue Schedule is created with Actual Amount equal to the amount of the product.

#### **Actual Revenue for RevRec Rule as Ratable**

Ratable RevRec Rule recognizes the fee amount over a period of time and calculates the deferred balance accordingly. For example, when you subscribe to video streaming and pay for one year upfront.

For RevRec Rule as Ratable, the Agreement Revenue Schedules are created for each contract period.

Consider the following use case:

- Amount = \$120,000.00
- Revenue Agreement Date range = 1/1/2018 to 31/12/2018
- Revenue Rule = Ratable
- Frequency = Monthly
- Term (no. of months) = 12

12 Agreement Revenue Schedules are created for 12 terms with the Forecast Amount as \$100,000 each.

Actual Revenue is calculated according to the following formula:

Actual Revenue = [Fee Amount / 12 ] \* Number of terms

#### **Actual Revenue for RevRec Rule as Ratable - Day**

In Subscription RevRec Rule, the Fee amount is calculated based on the number of days in the term. Allocated revenue is a multiplication of the base monthly revenue and the number of days in a month.

For RevRec Rule as Ratable - Day, Agreement Revenue Schedules are created for each contract period.

Consider the following use case:

- Amount = \$100,000.00
- Revenue Agreement Date range = 1/1/2018 to 3/31/2018
- Revenue Rule = Subscription
- Frequency = Monthly
- Term (no. of months) = 3

3 Agreement Revenue Schedules are created for 3 terms.

Actual Revenue is calculated for each period according to the following formula:

Actual Revenue = [Fee Amount / Total Number of Days] \*(Number of days in a term).

For the month of January, the Revenue Amount is \$8,493.

#### Actual Revenue for RevRec Rule as Manual

For RevRec Rule as Manual, entering Ready for Revenue Recognition Date only creates Revenue Agreement and Revenue Fees.

You need to manually create Agreement Revenue Schedules.

## Managing Forecast Revenue using Revenue Console

As part of period closing and at various times within a period, finance teams want the ability to forecast revenue for future periods for all agreements. Generate Forecast and Rollback Forecast buttons allow finance teams to manage forecasts for all agreements and agreement fees belonging to a particular Legal Entity with a single action.

You can perform following actions to manage Forecast Revenue using Revenue Console.

- Generate Revenue Forecast
- Rollback Revenue Forecast

Execution of Generate Revenue Forecast or Rollback Revenue Forecast batch creates a record in the **Revenue Run Result** object. If the batch job execution fails or any agreement is not processed, a record is created in the Revenue Run Result Entry object.

Revenue Run Result Entry captures the failure result of the batch job. A The email notification is sent to the email ID of the logged in user. Email notification contains the following information:

- Number of batch jobs processed
- Number of Agreements Processed
- Number of Agreements Successfully Processed
- Number of Failed/Filtered/Invalid Agreements.

In case a batch job fails, the email notification contains a .csv file with error details and error message about the root cause of the batch job failure.

To enable email notifications, set **Enable Email Notification** as true from Revenue System Properties.

## Generate Forecast Revenue

Generate Forecast Revenue generates forecast revenue for the entire term of each agreement fee.

The Generate Forecast button runs the Generate Forecast Revenue Job on all agreements. Requirements for generating forecast revenue for each agreement and agreement fee are unchanged from the Generate Forecast Revenue job which can be run from individual agreements. For more information on Generate Forecast Revenue job, refer to [Generate Forecast Revenue](#).

**Number of Agreements Ready for Forecast** provides a count for all agreements that will be impacted by Generate Forecast action.



**Note**

Number of Agreements Ready for Forecast will be zero after the job completes.

## To generate forecast revenue using Revenue Console

1. Click the **Revenue Console** tab.
2. Select the Legal Entity.
3. Click **Generate Forecast**.

**Note**

The appropriate process begins and you are redirected to the Revenue Run Result Detail page.

4. Click **Return**.

**Note**

Agreement Revenue Schedules will be updated to include forecasted revenue.

## Rollback Forecast Revenue

**Rollback Forecast Revenue** reverses the forecasted revenue for all periods for all agreement fees for a legal entity.

The Rollback Forecast button runs the Rollback Forecast Revenue Job on all eligible agreements. Requirements for rolling back forecast revenue for each agreement and agreement fee are unchanged from the Rollback Forecast Revenue job which can be run from individual agreements. For more information on Rollback Forecast Revenue, refer to [Rollback Forecast Revenue](#).

After this job completes, Eligible Agreements Report contains all agreements where:

- RevRec Forecast Active box must be checked on the Revenue Agreement.
- Status Category must be **In Effect**.
- Status must be **Activated**.

## To rollback forecasted revenue using Revenue Console.

1. Click the **Revenue Console** tab.
2. Select the Legal Entity.
3. Click **Rollback Forecast**.

**Note**

The appropriate process begins and you are redirected to the Revenue Run Result Detail page.

4. Click **Return**.

**Note**

Agreement Revenue Schedules will be updated to include rollback of forecasted revenue.

## Use Case: Forecasting Revenue

Revenue is forecast based on the **RevRec Rule** set on the Product Line Item.

To Generate Actual Revenue for a Product:

1. Create a Quote and add your product in the cart. Finalize the cart.
2. Accept the Quote to create order and order line items.
3. Activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date and ready for billing date. Click **Save**.
5. Edit the order and enter the revenue recognition date.
6. Click **Save**.  
Revenue Agreement, Agreement Fees, and Performance Obligations are created.
7. Navigate to your agreement fee and activate it. To activate an agreement, set **Status Category** as *In Effect* and **Status** as *Activated*.
8. Click **Generate Forecast Revenue**.

Agreement Revenue Schedule Forecasts are created.

Expand the use cases to understand how revenue is forecasted for different RevRec Rules.

### Revenue Forecast for RevRec Rule as Immediate

Immediate RevRec is used to recognize revenue for products with Charge Type as One Time Fee or Installation Fee.

For RevRec Rule as Immediate, a single Agreement Revenue Schedule Forecast is created with Forecast Amount equal to the amount of the product.

### Revenue Forecast for RevRec Rule as Ratable

Ratable RevRec Rule recognizes the fee amount over a period of time and calculates the deferred balance accordingly. For example, when you subscribe to video streaming and pay for one year upfront.

For RevRec Rule as Ratable, the Agreement Revenue Schedule Forecasts are created for each contract period.

Consider the following use case:

- Amount = \$120,000.00
- Revenue Agreement Date range = 1/1/2018 to 31/12/2018
- Revenue Rule = Ratable

- Frequency = Monthly
- Term (no. of months) = 12

12 Agreement Revenue Schedule Forecasts are created for 12 terms with Forecast Amount as \$100,000 each.

Revenue Forecast is calculated according to the following formula:

Revenue Forecast = [Fee Amount / 12 ] \* Number of terms

#### Revenue Forecast for RevRec Rule as Ratable - Day

For RevRec Rule as Ratable-Day, the Fee amount is calculated based on the number of days in the term. Allocated revenue is a multiplication of the base monthly revenue and the number of days in a month.

For RevRec Rule as Ratable - Day, Agreement Revenue Schedule Forecasts are created for each contract period.

Consider the following use case:

- Amount = \$100,000.00
- Revenue Agreement Date range = 1/1/2018 to 3/31/2018
- Revenue Rule = Subscription
- Frequency = Monthly
- Term (no. of months) = 3

3 Agreement Revenue Schedule Forecasts are created for 3 terms.

Forecast Revenue is calculated for each period according to the following formula:

Forecast Revenue = [Fee Amount / Total Number of Days] \*(Number of days in a term).

For the month of January, the Forecast Amount is \$8,493.

#### Revenue Forecast for RevRec Rule as Manual

For RevRec Rule as Manual, entering the Ready for Revenue Recognition Date creates Revenue Agreement and Revenue Fees.

You need to manually create the Agreement Revenue Schedule Forecasts.

## Managing Accounting Periods Using Revenue Console

While it is generally avoided, mistakes do happen that require the reopening a closed period. Apttus supports this by providing an option to reopen an accounting period. Due to the sensitivity of this action, it is strongly advised that access to this feature be limited using Salesforce permissions.

If it is necessary to change the revenue for a closing period, a method must be provided to allow for the reporting of a period to allow connections to be made. This very rarely happens as the accompanying corrections to the financial statements has a direct impact on investor confidence which in turn lowers share prices and reduces the value of the company. As such, the ability to reopen accounting periods is frequently locked down to allow only a few number of high-level employees (CFO and Controller) to perform this action.

## Close Period

**Close Period** button is visible only if the Eligible Agreements Report contains no agreements. It is visible only after you generate the actual revenue for all agreement fees. Close Period advances the **Current Period Date** to the last date of the next period.

## To close a period

1. Click the **Revenue Console** tab.
2. Select Legal Entity.
3. Click **Close Period**.

Revenue console is refreshed with the new **Current Period Date** and new Revenue Summary Data.

## Rollback Period

**Rollback Period** button will only be visible if no agreements have actual revenue generated for the current period. Running **Rollback Actual** will ensure this is true. Rollback Period changes the **Current Period Date** to the last date of the prior period. This means that revenue for the new current period has already been generated.

## To reopen a period

1. Click the **Revenue Console** tab.
2. Select Legal Entity.
3. Click **Rollback Period**.

### Note

The **Rollback Period** button is visible only if no revenue schedules for the current period contain actual revenue.

Revenue console is refreshed with the new **Current Period Date** and new Revenue Summary Data.

## Post to General Ledger

### Note

This section covers manual posting of recognized revenue to General Ledger (GL) through one more journal entries.

Once the period is closed in Apttus, it will be essential to post recognized revenue to the GL. This must be done after the period is closed as that ensures that no additional records will be created that would change the revenue numbers. Posting recognized revenue is the act of moving revenue out of a deferred revenue account and into a revenue account to show some portion of that deferred amount has been delivered to the customer.

For example, A customer purchases one year of service for \$120.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10

## Creating a Journal Entry

When posting revenue to the GL, a journal entry will be created to move revenue from a Deferred account to a Recognized Revenue account.

You have to create a report within Salesforce with the following settings.

Data Object:

- Agreement with Agreement Revenue Schedule

Filters:

- Agreement Revenue Schedule.Period Date equals <end date of the current period>.

Minimum fields:

- Agreement Revenue Schedule.Period Date
- Agreement.Agreement Name
- Agreement Revenue Schedule.Agreement Revenue Schedule ID
- Agreement Revenue Schedule.Recognized Revenue GL Account
- Agreement Revenue Schedule.Actual Recognized Revenue
- Agreement Revenue Schedule.Deferred Revenue GL Account

A Salesforce report with the following settings will aid in the creation of the journal entry:

For example, a single record in this report looks like.

Period Date	Agreement Name	Agreement Revenue Schedule ID	Recognized Revenue GL Account	Actual Recognized Revenue	Deferred Revenue GL Account
5/31/15	RevRec Agmt 3.92	0000010239	5000.12.76.34	\$100.00	2100.12.76.34

This record would be journalized as:

Date	Debit Account	Credit Account	DR	CR
5/31/15	2100.12.76.34 - Deferred Revenue		100.00	
		5000.12.76.34 - Recognized Revenue		100.00





Date	Debit Account	Credit Account	DR	CR
Recognize \$100.00 Revenue for Agreement "RevRec Agmt 3.92" for period ending 5/31/15				

## Milestone Based Revenue Recognition

You can now recognize revenue based on the milestone completion dates. Milestone based revenue recognition helps in tracking revenue based on project completion dates. To recognize revenue on a milestone basis, set **Is Milestone** as true in your Revenue Recognition Policy,



 Milestone based Revenue Recognition is supported only for Revenue Recognition Rule as Immediate.

## Use Case: Recognizing Revenue based on Milestone

Suppose you are a finance administrator for a company selling computer hardware. You have a one-year contract from  01 Jan 2019 to  31 Dec 2019 to ship 1000 laptops. On  01 Jun 2019, you have shipped 1000 laptops. You can set-up a milestone-based revenue policy to recognize revenue on  01 Jun 2019.

**Pre-requisites:** A Revenue Recognition Policy with Revenue Recognition Rule as Immediate and **Is Milestone** as *true*. Create a Laptop product and attach your revenue recognition policy to it.

To recognize revenue based on Milestone:

1. Accept the Quote/Proposal with the laptop product.
2. Activate the order and add Ready for Revenue Recognition date.
3. Revenue Agreement with a milestone record is created.
4. Navigate to your milestone. Enter Milestone Expected Date as  31 Dec 2019.
5. Click **Complete Milestone**.
6. Enter the Actual Date of the milestone completion as  01 Jun 2019.
7. Click **Save**.

### Result:

Milestone Actual date is set as the Actual End Date of the Agreement Fee.

### Next Step:

From the revenue console, click **Generate Actuals** to recognize revenue for your laptop product.

## Reconcile

Reconciliation process is the primary method used to verify the accuracy of an account's balance. Some of the methods that can be used to reconcile accounts are.

- Reconcile beginning to ending balance
- Account details

Many accounts are reconciled using multiple methods, each meets a different reconciliation requirement.

### Reconciling beginning to ending balance

To perform this reconciliation, it is necessary to identify all transactions affecting an account. These transactions are then applied to the beginning balance to reach the ending balance.

This report can be created using X-Author for Excel to pull the appropriate fields.

The following table shows an example of this type of report.

A/R Reconciliation for June 2015					
Balance as of 6/1/xx					\$1,000.00
	Add:				
		Invoice 000110	100.00		
		Invoice 000111	175.00		
		Invoice 000112	65.00		
		Invoice 000113	<u>335.00</u>		
	Total Additions			\$675.00	
Sub-Total					\$1,675.00
	Less:				
		Payment 000078	(500.00)		
		Payment 000079	(100.00)		
		Payment 000080	(125.00)		
		Payment 000081	(50.00)		
		Payment 000082	<u>(65.00)</u>		
	Total Subtractions			<u>\$(840.00)</u>	

A/R Reconciliation for June 2015					
Ending Balance as of 6/30/xx					\$835.00

## Account Details

This approach provides the breakdown of individual accounts that are contained within a summary account. This style report is most commonly used for breaking down Accounts Receivable into specific customer accounts but could also be used to provide a revenue breakdown by product line, region, etc. These types of reports can be useful to management and auditors in identifying exception accounts for further investigation.

These reports can be created by using standard Salesforce reporting functionality.

The following table shows an example of this type of report.

Revenue Breakdown by Product Line		
For Period 6/1/xx to Present (in thousands)		
Revenue		
	Consulting	1,700.00
	Implementation	4,150.00
	Hosting and Web Services	725.00
	<u>Licensing</u>	<u>50.00</u>
Total Revenue		6,625.00

## Deferred Revenue Reconciliation

Deferred Revenue Reconciliation is primarily concerned with verifying the accuracy of the Deferred Revenue balance. This is done by ensuring that the change in balance over the period is understood and by reviewing the details for errors. Some reports that can be used to reconcile Deferred Revenue are.

- Reconcile Beginning to Ending Balance
- Account Details



## Reconcile Beginning to Ending Balance

This method provides a reconciliation of starting Deferred Revenue balance to ending balance. The basic formula for calculating the ending balance is:  $\text{Starting Balance} + \text{New Fees} \pm \text{Net Adjustments} - \text{Recognized Revenue} = \text{Ending Balance}$ .

Currently, this report can be generated using X-Author.

## Account Details

Account Details are generated from the breakdown details provided by Revenue Summary report from Revenue Console. Custom Reports can be created using existing Salesforce Reporting.

When creating a custom report, fields for a minimum viable report are:

- Salesforce object: Agreements with Agreement Revenue Schedules
- Filter: Agreement Revenue Schedule.Period Date = <last date of period>
- Fields:
  - Agreement Revenue Schedule.Period Date
  - Agreement.Agreement Name
  - Agreement Revenue Schedule.Agreement Fee
  - Agreement Revenue Schedule.Actual Deferred Balance Amount

## Revenue Reconciliation

Revenue Reconciliation is primarily concerned with reviewing transactions throughout the period of accuracy. Since revenue begins each period at \$0, it is not necessary to perform a beginning to ending reconciliation. Account Details is one of the reports needed to reconcile Deferred Revenue.

## Account Details

Revenue Details within a period can be found in the Revenue Schedule Detail Report within the Revenue Console. Custom Reports can be created using existing Salesforce Reporting.

When creating custom reports, fields for a minimum viable report:

- Salesforce object: Agreements with Agreement Revenue Schedules
- Filter: Agreement Revenue Schedule.Period Date = <last date of period>
- Fields:
  - Agreement Revenue Schedule.Period Date
  - Agreement.Agreement Name
  - Agreement Revenue Schedule.Agreement Fee
  - Agreement Revenue Schedule.Actual Recognized Revenue

## Reports

Reporting is primarily concerned with analyzing and understanding Revenue data. This provides finance teams, executives, and investors with an understanding of how the company is performing, and, develop plans to address any areas that need improvement.

While working with financial data, users will frequently analyze data from various dates in past, present, and future. The financial information can be displayed in the form of trend lines but it could also be account balance as of a specific date as well. For example, year over year comparisons is a commonly run report. This requires looking at the balances of selected accounts from the same month of the prior years and comparing them to the current year's balances and to determine how well the company is doing.

The ability to create revenue snapshots and summaries makes data more accessible for reporting by allowing the user to capture the state of revenue data as of a specific date at a detail or summary level.

Most reporting within Apttus will be performed using Salesforce Reporting. Since Apttus is 100% Salesforce native, all Apttus data is available to report on by Salesforce.

You can use the following functionalities for reporting:



## Agreement Revenue Snapshots

Revenue Snapshots allow users to save their revenue data for future reporting. Snapshots can be created for both forecast and actual revenue. This allows users to view the data as it existed on the date the snapshot was created. Any subsequent changes to actual or forecast revenue will not be reflected in the snapshot.

Two different revenue snapshots are provided.

- Agreement Revenue Snapshot
- Agreement Revenue Forecast Snapshot

Snapshots can be created from the Revenue Console for Forecast Snapshots or from Revenue Agreements for Forecast and Actual Snapshots.

Agreement Revenue Snapshot captures the actual revenue data for an agreement fee on the date the snapshot is created.

## To create Agreement Revenue Snapshots

1. Select an appropriate agreement.
2. Under the Agreement Revenue Snapshots section, click **New Agreement Revenue Snapshots**.
3. Complete the following fields.

Field	Description
Agreement Revenue Snapshot ID	Displays the Agreement Revenue Snapshot ID.

Field	Description
Currency	Select the Currency.
Created By	Displays the name of the owner of the Agreement Revenue Snapshot.
Last Modified By	Displays the name of the person who modified the Agreement Revenue Snapshot.
Active	Indicates if the Agreement Revenue Snapshot is active.
Actual Amount	Enter the Actual Amount.
Actual Units	Enter Actual Units.
Actual Units (Old)	Enter the Actual Units (old).
Agreement	Displays the name of the source agreement.
Agreement Fee	Enter name of the source fee.
Agreement Prepay	Enter name of the source prepay.
Agreement True Up	Enter name of the source true up.
Cumulative Actual Amount	Enter cumulative actual amount
Cumulative Actual Units	Enter cumulative actual units.
Cumulative Actual Units (Old)	Enter cumulative actual units (old).
Cumulative Prepaid Amount	Enter cumulative prepaid amount.
Cumulative Recognized Amount	Enter cumulative recognized amount.
Current Period Date	Enter current period date.
Current Period Number	Enter current period number.
Deferred Balance Amount	Enter deferred balance amount.
Monthly Price	Enter monthly price.
Revenue Subtype	Select revenue subtype
Revenue Type	Select revenue type.
RevRec Period Date	Enter RevRec period date.
RevRec Period Number	Enter RevRec period number.
RevRec Rule	Select RevRec rule.

Field	Description
RevRec Source	Select RevRec source.
Snapshot Category	Select Snapshot category.

4. Click **Save**.

Agreement Revenue Snapshot Edit  
0000890604

Agreement Revenue Snapshot Edit [Save] [Save & New] [Cancel]

**Information**

Agreement Revenue Snapshot Id 0000890604 Agreement RevRec 3.99 Quarter

RevRec Period Date 3/31/2015 [6/18/2015] Agreement Fee 0000002903

RevRec Period Number 3 Agreement Prepay 0000000021

Snapshot Category Forecast Agreement Trueup 0000000001

RevRec Source Fee

Current Period Date 3/31/2015 [6/18/2015]

Current Period Number 3

Active ☒

Deferred Balance Amount 1,200.0000

Actual Units 50

Actual Amount 500

Cumulative Actual Units 560

Cumulative Actual Amount 3740

Cumulative Prepaid Amount 6260

Cumulative Recognized Amount 2300

Monthly Price 100

[Save] [Save & New] [Cancel]

## Agreement Revenue Forecast Snapshot

The Agreement Revenue Forecast Snapshot captures the forecast data for an agreement fee on the date the snapshot is created. This data is generated from the Agreement Revenue Schedule Forecast object. This data can be viewed from the Agreement Fee by clicking the **Enter Forecast** button.

### To create agreement revenue forecast snapshot

1. Select the appropriate agreement.
2. Under the Agreement Revenue Snapshots section, click **New Agreement Revenue Snapshot**.
3. Complete the fields as per the following table.

Field	Description
Agreement Revenue Forecast Snapshot Name	Enter name of the agreement revenue forecast snapshot.

Field	Description
Actual Amount	Enter actual amount.
Actual Recognized Revenue	Enter actual recognized revenue.
Actual Units	Enter actual units.
Agreement	Displays name of the related agreement.
Agreement Fee	Select Name of related agreement fee
Agreement Prepay	Enter name of prepay
Agreement True Up	Enter name of true up
Amount Variance to Budget	Enter the difference between actual and budget amount.
Amount Variance to Forecast	Enter the difference between actual and forecast amount.
Annual Average Rate	Enter average annual rate.
Budget Amount	Enter budget amount.
Budget Recognized Revenue	Enter budget recognized revenue.
Budget Units	Enter budget units.
Comments	Enter comments. (if any)
Created By	Displays the name of the owner of the agreement.
Currency	Select the currency.
Forecast Amount	Enter forecast amount.
Forecast Deferred Balance Amount	Enter forecast deferred balance amount.
Forecast Recognized Revenue	Enter forecast recognized revenue.
Forecast Units	Enter forecast units.
Invoice Date	Select invoice date.
Invoice Number	Enter invoice number.
Last Modified By	Displays the name of the person who modified the record.
Period Average Rate	Enter the period average rate.

Field	Description
Period Date	Enter the period date.
Period End Rate	Enter the period end rate.
Period Number	Enter the period number.
Quarter Average Rate	Enter the quarter average rate.
Revenue Subtype	Select the revenue subtype.
Revenue Type	Select the revenue type.
RevRec Rule	Select the RevRec rule. Immediate, Ratable, Subscription
RevRec Source	Select the RevRec source.
Snapshot Name	Enter the name of the snapshot.
Unit Variance to Budget	Enter the difference between Actual and Budget Units
Unit Variance to Forecast	Enter the difference between Actual and Forecast Units

4. Click **Save**.

Agreement Revenue Forecast Snapshot Edit Help for this Page

**New Agreement Revenue Forecast Snapshot**

Agreement Revenue Forecast Snapshot Edit Save Save & New Cancel

**Information** ! = Required Information

Currency <span>USD - U.S. Dollar</span> Actual Amount <span>500</span> Actual Units <span>50</span> Actual Recognized Revenue <span>450</span> Forecast Amount <span>550</span> Forecast Units <span>550</span> Forecast Recognized Revenue <span>600</span> Forecast Deferred Balance Amount <span>500</span> Budget Amount <span>600</span> Budget Units <span>60</span> Budget Recognized Revenue <span></span> Comments <span></span>	Snapshot Name <span>as on 16.05.15</span> Agreement <span>RevRec 3.99 Quarter</span> Agreement Fee <span>0000000965</span> Agreement Prepay <span>0000000023</span> Agreement Trueup <span>0000000001</span> RevRec Source <span>Fee</span> Period Date <span>6/18/2015</span> <span>[6/18/2015]</span> Period Number <span>2</span> Period End Rate <span></span> Period Average Rate <span></span> Quarter Average Rate <span></span> Annual Average Rate <span></span>
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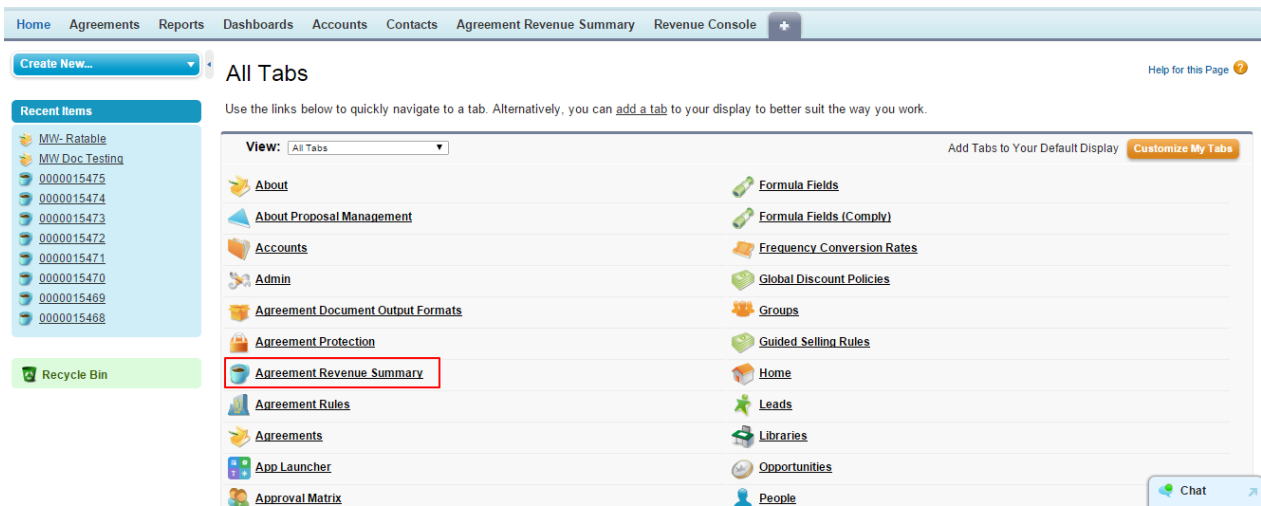
Save Save & New Cancel

## Agreement Revenue Summary

**Agreement Revenue Summary** represents the summary of all recognized and forecast revenue and deferred revenue balances for a single period for all agreement fees within an agreement. It gives detailed information about the forecast amount, forecast unit, recognized revenue, deferred balance amount forecasted deferred balance amount, actual units, and actual amount. Revenue Summaries are generated automatically when actual revenue is generated for an agreement.

## To view Agreement Revenue Summary

1. Click  and select **Agreement Revenue Summary**.



The Agreement Revenue Summary will be displayed as shown in the image.

# Revenue Recognition on Salesforce Summer 2019 User Guide

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MM Doc Testina 2

00000154882

00000155001

00000155000

00000154882

00000154888

00000154887

00000154886

00000154885

00000154884

Recycle Bin

View: All (Installed Package: Apttus Revenue Management)

Get

Edit | Create New View

Recent Agreement Revenue Summary

Agreement Revenue Summary by Period Date Agreement

Recognized Revenue

Deferred Balance Amount

Forecast Recognized Revenue

Forecast Deferred Balance Amount

00000154882	6/1/2015	MM Doc Testina 2	USD 38 94000		USD 38 94000	USD 461 00000
00000155001	5/9/2016	MM Doc Testina 2			USD 32 66000	
00000155000	4/30/2016	MM Doc Testina 2			USD 38 95000	USD 32 66000
00000154882	3/31/2016	MM Doc Testina 2			USD 38 94000	USD 71 61000
00000154888	2/29/2016	MM Doc Testina 2			USD 38 95000	USD 110 95000
00000154887	1/31/2016	MM Doc Testina 2			USD 38 94000	USD 149 50000
00000154886	12/31/2015	MM Doc Testina 2			USD 38 95000	USD 188 44000
00000154885	11/30/2015	MM Doc Testina 2			USD 38 94000	USD 227 38000
00000154884	10/31/2015	MM Doc Testina 2			USD 38 95000	USD 266 33000
00000154882	9/30/2015	MM Doc Testina 2			USD 38 94000	USD 305 28000
00000154881	8/31/2015	MM Doc Testina 2			USD 38 95000	USD 344 22000
00000154880	7/31/2015	MM Doc Testina 2			USD 38 94000	USD 383 17000
00000154879	6/30/2015	MM Doc Testina 2			USD 38 95000	USD 422 11000
00000154878	5/31/2015	MM Doc Testina 2			USD 15 00000	USD 165 00000
00000154877	4/30/2016	MM Doc Testina 2	USD 16 25000	USD 165 00000		
00000154876	3/31/2016	MM Doc Testina 2			USD 15 00000	USD 15 00000
00000154875	2/29/2016	MM Doc Testina 2			USD 15 00000	USD 30 00000
00000154874	1/31/2016	MM Doc Testina 2			USD 15 00000	USD 45 00000
00000154873	12/31/2015	MM Doc Testina 2			USD 15 00000	USD 60 00000
00000154872	11/30/2015	MM Doc Testina 2			USD 15 00000	USD 75 00000
00000154871	10/31/2015	MM Doc Testina 2			USD 15 00000	USD 90 00000
00000154870	9/30/2015	MM Doc Testina 2			USD 15 00000	USD 105 00000
00000154869	8/31/2015	MM Doc Testina 2			USD 15 00000	USD 120 00000
00000154868	7/31/2015	MM Doc Testina 2			USD 15 00000	USD 135 00000

Show 10 Items

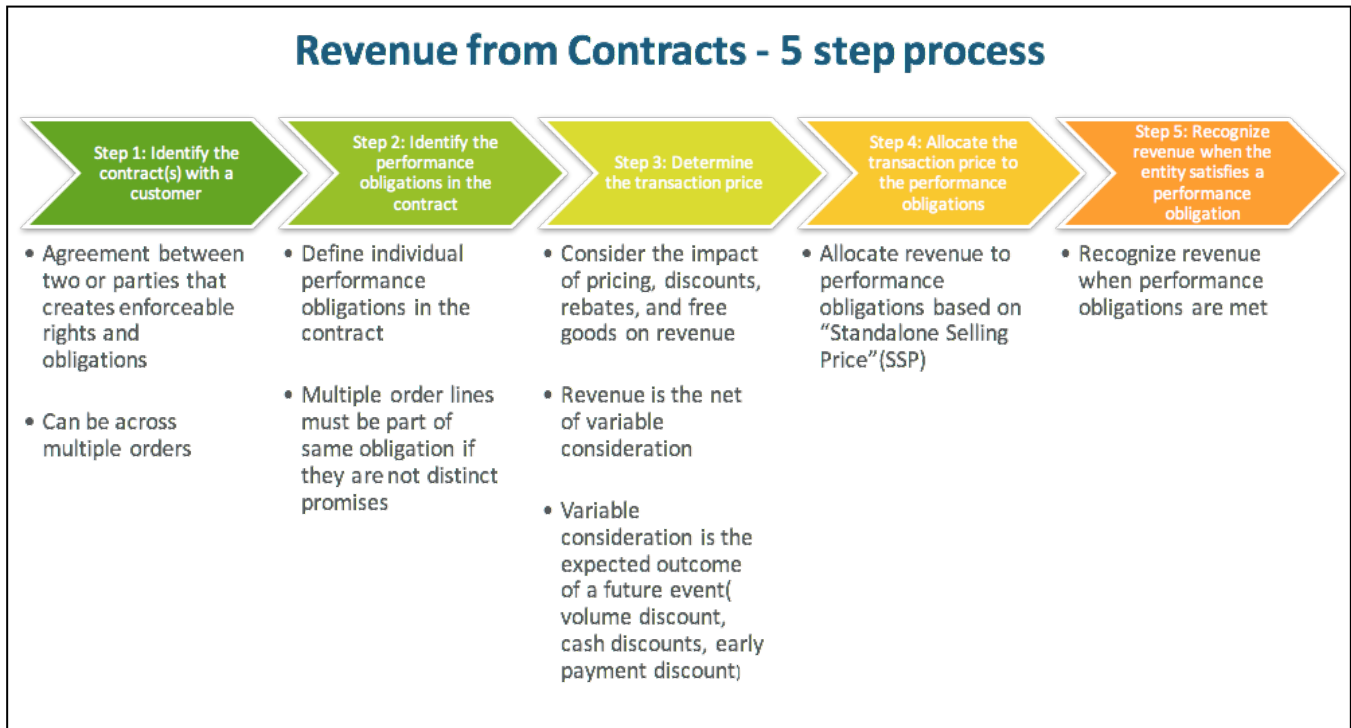
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Chat



# Revenue Recognition: ASC 606

Apttus Revenue Recognition now supports ASC-606 support. Recognizing revenue in ASC-606 standard is a 5 step process.

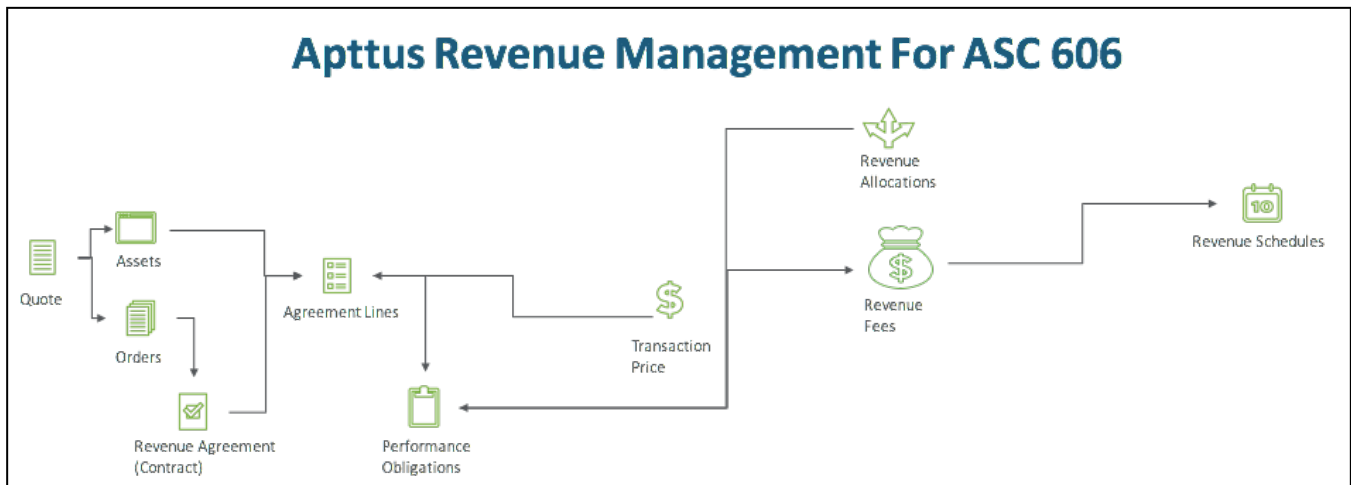


ASC 606 is a joint project initiated by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS.

The purpose of ASC 606 is to:

- Remove inconsistencies and weaknesses in revenue requirements.
- Provide a more robust framework for addressing revenue issues.
- Improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets.
- Provide more useful information to users of financial statements through improved disclosure requirements.
- Simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer.

## Apttus Revenue Management for ASC 606



Apttus Revenue Recognition for ASC 606 starts when a quote is created and accepted for required products and services.

1. A quote is created and accepted for required products and services.
2. On quote acceptance, orders and assets are created.
3. When the order is activated, an agreement corresponding to the order is created.
4. The transaction price is calculated for the agreement line items. By default, it is same as the order line item net price.
5. Each agreement line will have net price, transaction price, and revenue allocation
6. Performance Obligations are created for each agreement fee. Each agreement fee can have one or more obligations based on revenue recognition policy or revenue split/merge policy.
7. Revenue fees are created for each obligation based on the revenue allocation amount on the obligation
8. Revenue schedules are generated for each revenue fee when the revenue is recognized at the month end.
9. Revenue forecast schedules are generated and updated on demand

**⚠** To recognize revenue using the ASC 606 Standard, go to **Setup > App Setup > Develop > Custom Settings** and click **Manage** beside **Revenue System Properties**. Click Edit for System Properties and select **Enable ASC-606**.

## Key Terminology

Term	Definition
<b>Revenue Allocation Amount</b>	Allocation Amount is the amount of revenue allocated for each agreement fee. By default, the allocation amount is same as the transaction price.
<b>Revenue Transaction Price</b>	Transaction Price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
<b>Performance Obligation</b>	<p>Performance Obligation is a promise in a contract with a customer to transfer to the customer either:</p> <ul style="list-style-type: none"> <li>• A good or service (or a bundle of goods or services) that is distinct.</li> <li>• A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.</li> </ul>

## Performance Obligation

Performance Obligation is a promise in a contract with a customer to transfer to the customer either:

- A good or service (or a bundle of goods or services) that is distinct.
- A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Agreement Fees are created once an order is activated and fulfilled. Based on your Revenue Recognition Policy and Revenue Split/Merge Policy, Obligations are allocated to Agreement Fees.

## Performance Obligation Detail

You can see the Performance Obligations created on an Agreement Fee once the order is fulfilled and it reaches the revenue recognition date.

Groups (0) | Agreement Fees (2)

**Obligation Detail**

Edit Delete Clone

Obligation Id OBL-0000356
Type Performance
Start Date 7/1/2019
End Date 9/30/2019
Obligation Name
Revenue Recognition Rule Immediate

Owner QA Manager [Change]
Description
Transaction Price SEK 157.60000
Allocation Amount SEK 157.60000
Status Active
Forecast Deferred Balance SEK 157.60000
Forecast Revenue SEK 0.00000
Actual Revenue SEK 157.60000
Actual Deferred Balance SEK 0.00000
Last Modified By QA Manager 7/23/2019 2:48 PM

Created By QA Manager 7/23/2019 2:14 PM

Edit Delete Clone

Click the **Performance Obligation** link to open a performance obligation.

Let us understand what each of the fields on Obligation means,

Field	Description
<b>Allocation Amount</b>	Allocation Amount <ul style="list-style-type: none"> <li>Lone Allocation Amount for single Agreement Line Item.</li> <li>Aggregate Allocation Amount for multiple Agreement Line Items.</li> <li>Partial Allocation Amount for when a Split Policy is applied to a single Agreement Line Item.</li> </ul>
<b>End Date</b>	The obligation end date. Maximum of all related Agreement Line Item contract end date.
<b>Revenue Recognition Rule</b>	The revenue recognition rule associated with the obligation.
<b>Start Date</b>	The obligation start date. Minimum of all related Agreement Line Item contract original start date.
<b>Status</b>	The obligation status.
<b>Transaction Price</b>	Transaction Price <ul style="list-style-type: none"> <li>Lone Transaction Price for single Agreement Line Item.</li> <li>Aggregate Transaction Price for multiple Agreement Line Items.</li> <li>Partial Transaction Price for when a Split Policy is applied to a single Agreement Line Item.</li> </ul>
<b>Type</b>	The obligation type.
<b>Forecast Deferred Balance</b>	Total of Forecast Deferred Balance amount of all related agreement fees.

<b>Forecast Revenue</b>	Total of Forecast Revenue amount of all related agreement fees.
<b>Actual Revenue</b>	Total of Actual Revenue amount of all related agreement fees.
<b>Actual Deferred Balance</b>	Total of Actual Deferred Balance amount of all related agreement fees.

## Associating Performance Obligation to Agreement Fees

You can manually edit an Agreement Fee to attach or remove performance obligation from Agreement Fees.

To manually modify an Agreement Fee,

1. Go to Agreement Fee.
2. Click Edit.
3. Add Performance Obligation through the performance obligation look-up field.

Transaction Price and the Allocation Price of the Performance Obligation is updated to reflect the aggregate of the Transaction Price and Aggregate Allocation price of the associated Agreement Fees respectively. Actual Revenue, Actual Deferred Balance, Forecast Revenue, and Forecast Deferred Balance fields are updated to reflect the summary of the associated Agreement Fees.

## Single Asset to Single Obligation

Revenue for distinct assets is recognized in separate streams. In such case, for each agreement line item, a unique performance obligation is allocated. For example, computer hardware and software are two unique assets. Revenue for both of them is identified separately.

Here, two performance obligations are created.

## Use Case: Revenue Recognition for Distinct Assets

**Description:** This use case describes how separate obligations are created for distinct assets

Suppose you are a revenue administrator of a company selling computer hardware and software. You want to recognize revenue for both the products for a period of 6 months for \$1700.

### Prerequisite:

Laptop PLI Configuration:

- List Price: \$1200
- Revenue Recognition Rule: Immediate

Software PLI Configuration:

- List Price: \$500
- Revenue Recognition Rule: Ratable

### Steps:

1. Accept a Quote containing the hardware and software product with Start date as 1/Jan/2017 and End date as 30/June/2017

2. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

**Result:**

- For each order line item, agreement and agreement line items are created.
- For each Agreement Line Item, Obligation is created.
- Revenue Fees are created for each agreement based on the allocation amount.

**Obligation ID: 01 Asset: Laptop**

Obligation Type:	Performance
Start Date:	01/01/2017
End date:	30/06/2017
Revenue Recognition Rule:	Ratable
Transaction Price:	\$500
Allocation Amount:	\$500

**Agreement Fee ID: 01**

Start Date:	01/01/2017
End Date	30/06/2017
Transaction Price	\$500

**Obligation ID: 02 Asset: Standard Software**

Obligation Type:	Performance
Start Date:	01/01/2017
End date:	30/06/2017
Revenue Recognition Rule:	Immediate
Transaction Price:	\$1200
Allocation Amount:	\$1200

**Agreement Fee ID: 02**

Start Date:	01/01/2017
End Date	01/01/2017
Transaction Price	\$1200

## Single Asset with Multiple Obligations

An asset can have multiple obligations for revenue recognition. Assets where part of the amount is recognized immediately and the remaining amount is recognized ratably over the lease period have multiple obligations allocated to them.

For example, consider a leased asset. Here the part of the amount is recognized upfront and the remaining amount is recognized ratably over the lease period. In such scenario, the leased asset has two obligations with the total amount split between them.

Obligations are split based on the Revenue Merge/Split Policy. To understand, how to define a Merge/Split Policy, refer to [Revenue Recognition Split/Merge Policy](#). The Allocation Amount for the obligation is derived based on the split percent defined in the Merge/Split Policy.

## Use Case: Revenue Recognition for a Leased Asset

**Description:** This use case describes how performance obligations and agreement fees are created for a leased asset

Suppose your company has signed a lease for \$90,00 with a customer. From this amount, \$27,000 is recognized immediately and the remaining \$63,000 is recognized ratably.

### Prerequisite:

Revenue Merge/Split Policy Setup:

- Policy Name: Lease Split Policy
- Policy Type: Split
- Split Policy Entries:
  - Sequence 1
    - Split Percent: 30%
    - Revenue Recognition Policy: Immediate
  - Sequence 2
    - Split Percent: 70%
    - Revenue Recognition Policy: Ratable

Software Product Configuration:

- List Price: \$90,000
- Revenue Split/Merge Policy: Lease Split Policy

### Steps:

1. Accept a Quote containing the Lease Product with Start date as 1/Jan/2017 and End date as 30/June/2017
2. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

### Result:

- Agreement and agreement line items are created.
- For each Agreement Line Item, Obligation is created.
- Revenue Fees are created for each agreement based on the allocation amount.

**Obligation ID: 01**

Obligation Type:	Performance
Start Date:	01/01/2017
End date:	30/06/2017
Revenue Recognition Rule:	Ratable
Transaction Price:	\$90,000
Allocation Amount:	\$63,000
<b>Agreement Fee ID: 01</b>	
Start Date:	01/01/2017
End date:	30/06/2017
Transaction Price:	\$90,000
Flat Fee:	\$63,000
<b>Obligation ID: 02</b>	
Obligation Type:	Performance
Start Date:	01/01/2017
End date:	30/06/2017
Revenue Recognition Rule:	Immediate
Transaction Price:	\$90,000
Allocation Amount:	\$27,000
<b>Agreement Fee ID: 02</b>	
Start Date:	01/01/2017
End Date:	01/01/2017
Transaction Price:	\$90,000
Flat Fee:	\$27,000



If different Revenue Recognition Rule and Revenue Split/Merge Policy are set on the product PLI, the system considers the Revenue Recognition Rule mentioned in the split entry in the Revenue Split/Merge Policy



## Multiple Assets Mapped to a Single Obligation

For multiple non-distinct assets, revenue is recognized in a single stream. In such case, multiple assets are tied to a single obligation. For example, a Company enters into a contract with a customer to provide Software licenses, Implementation services, Routine software updates, and Technical support. Here software cannot be sold without implementation services so a single obligation is created. Updates and Support are distinct and constitute separate performance obligations.

Obligations are merged based on the Revenue Merge/Split Policy. To understand, how to define a Merge/Split Policy, refer [Revenue Recognition Split/Merge Policy](#).

 You need to specify the Revenue Recognition Policy in the Product PLI, if you are using Merge Policy.

## Use Case: Revenue Recognition for non-distinct Assets

Description: This use case describes how a single obligation is created for multiple assets.

Suppose your company has sold a Software with Subscription for \$1000 and Implementation for \$12000.

### Prerequisite:

Revenue Merge/Split Policy Setup:

- Policy Name: Software Merge Policy
- Policy Type: Merge

Subscription Product Configuration:

- List Price: \$1000
- Revenue Recognition Policy: Immediate
- Revenue Split/Merge Policy: Software Merge Policy

Implementation Product Configuration:

- List Price: \$2000
- Revenue Recognition Policy: Immediate
- Revenue Split/Merge Policy: Software Merge Policy

### Steps:


1. Accept a Quote containing both the products with Start date as 1/Jan/2017 and End date as 30/June/2017
2. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

### Result:

- Agreement and agreement line items are created.
- For both the Agreement Line Items, a single obligation is created.
- Revenue Fees are created for each agreement based on the allocation amount.

<b>Obligation ID: 01</b>	
Obligation Type:	Performance

Start Date:	01/01/2017
End date:	30/06/2017
Revenue Recognition Rule:	Immediate
Transaction Price:	\$13,000
Allocation Amount:	\$13,000
<b>Agreement Fee ID: 01</b>	
Start Date:	01/01/2017
End date:	01/01/2017
Transaction Price:	\$12,000
Flat Fee:	\$12,000
<b>Agreement Fee ID: 02</b>	
Start Date:	01/01/2017
End date:	01/01/2017
Transaction Price:	\$1,000
Flat Fee:	\$1,000

 To merge agreement fees across different agreements, implement your logic in a custom callback class and register it in Obligation Allocation Callback in Revenue System Properties. For more details, refer to Obligation Allocation Callback Class in Revenue Recognition Admin Guide.

## Revenue Recognition Split/Merge Policy

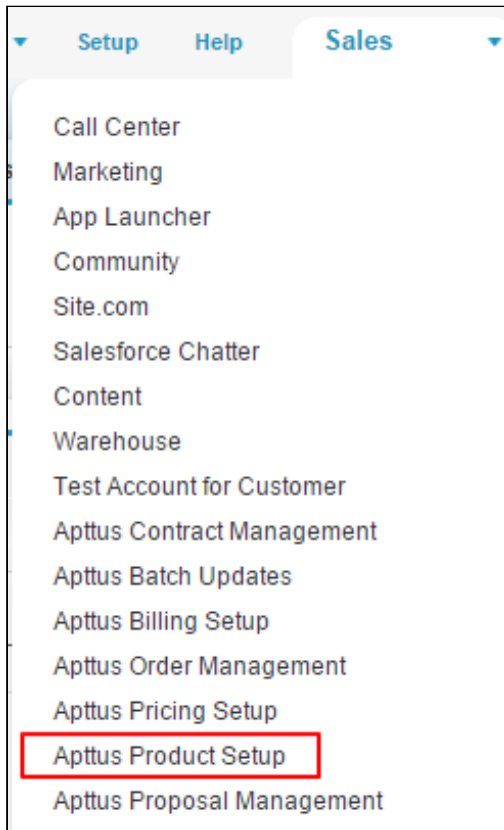
Revenue Recognition Policies allows users to create rules so the system can automatically distribute revenue according to their business policies.

Split or Merge policy is useful when you have single asset having multiple obligations or multiple assets are a part of single obligation.

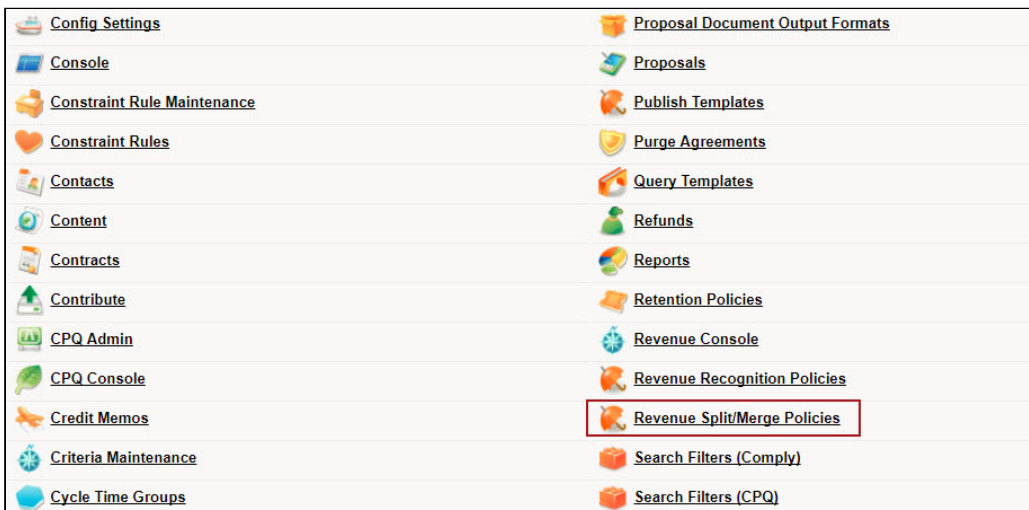
## Creating Recognition Split/Merge Policy

### To create Revenue Recognition Merge Policy

1. From [Force.com](#) drop down menu, select **Apttus Product Setup**.



2. Click  and select **Revenue Split/Merge Policies**.



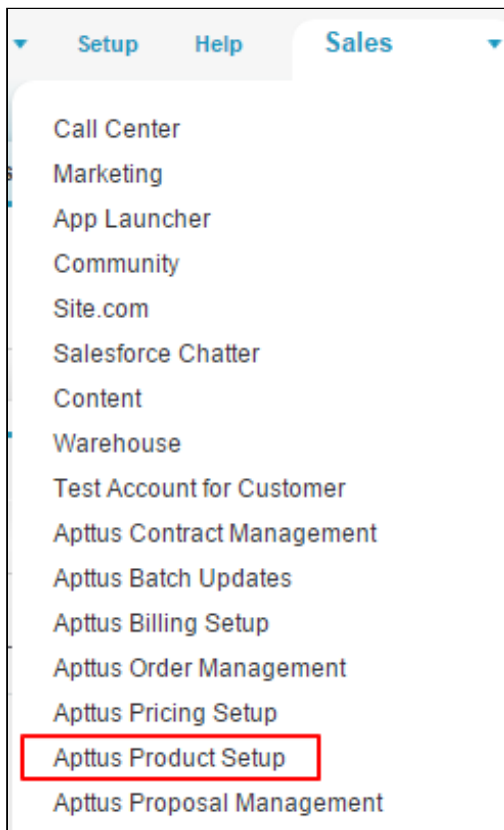
3. Click **New**.
4. Enter the **Policy Name** and Select **Type** as *Merge*.

A screenshot of the 'Revenue Split/Merge Policy Edit' form. The form has a title bar with the text 'Revenue Split/Merge Policy Edit' and three buttons: 'Save', 'Save & New', and 'Cancel'. Below the title bar is a section titled 'Information'. Inside this section, there are three fields: 'Policy Name' with the value 'P\_Test', 'Description' with an empty text area, and 'Type' with a dropdown menu set to 'Merge'. At the bottom of the form, there are three buttons: 'Save', 'Save & New', and 'Cancel'.

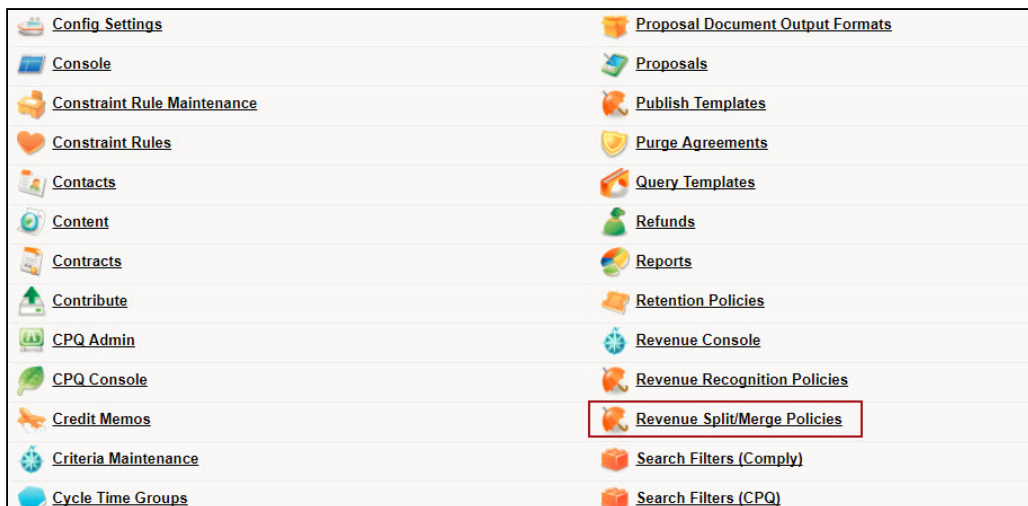
5. Click **Save**.

## To create Revenue Recognition Split Policy

1. From [Force.com](#) drop down menu, select **Apttus Product Setup**.



2. Click  and select **Revenue Split/Merge Policies**.



3. Click **New**.

4. Enter the **Policy Name** and Select **Type** as Split.

5. Click **Save**.
6. On the Revenue Split/Merge Policy Detail page, click **New Revenue Split Policy Entry**.

7. Enter the **Sequence** and **Split Percent**.
8. Select **Revenue Recognition Policy** from the look-up field. For detailed information on Revenue Recognition Policies, refer to [Revenue Recognition Rules](#).

**⚠** Make sure that the total of Split Percent of all Revenue Split Policy Entry is 100.

## Transaction Price and Allocation Price

Transaction Price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Variables such as rebates, incentives, discounts are taken into account while calculating the transaction price.

Transaction Price is calculated for each agreement line item. By default, the transaction price is same as the net price on the order line item. To customize it for your needs, implement your logic in a callback class and register it in Revenue Management System Properties. For more details, refer to *Revenue Calculation Callback Class* in Revenue Recognition Admin Guide.

Allocation Amount is same as the Transaction Amount for each Agreement Line Item. For Split Policy, the split percent determines the Allocation Amount. The sum of Allocation Amount for all agreement line items should be equal

to the Transaction amount. To customize the calculation for Allocation Amount, implement your logic in a callback class and register it in Revenue Management System Properties. For more details, refer to *Revenue Allocation Callback Class* in Revenue Recognition Admin Guide.

## Contract Modifications

A user can perform different types of asset-based amendments such as:

- Terminate
- Change
- Renew

Asset amendments affect the recognized revenue. Obligations are updated to reflect the change in the asset. When you upgrade an asset, a new agreement fee is created for the new period of the obligation. On asset downgrade, negative agreement fee is created for the canceled period of the obligation.

## Revenue Recognition for Terminated Assets

When an asset is terminated, the recognized revenue is canceled for the remaining period. Canceled revenue is identified by creating negative agreement fees. Negative agreement fees are created for the cancellation amount of the obligation.

## Use Case: Revenue Recognition for Cancelled Assets

Description: This use case describes how negative agreement fees are created when an asset is canceled.

Suppose you are a revenue administrator of a company selling computer software. Your customer has purchased the software subscription for 3 months for \$300. The contract period is from 1/1/2017 to 3/31/2017. On 15th February, the customer cancels the software subscription.

### Prerequisite:

Revenue is recognized for three months by creating performance obligations and agreement fees.

Obligation O1	
Start Date	1/1/2017
End Date	3/31/2017
Transaction Price	\$300
Allocation Price	\$300
Agreement Fee A1	
Start Date	1/1/2017
End Date	3/31/2017

Agreement Fee A1	
Transaction Price	\$300
Allocation Price	\$300

**Steps:**

1. Create a new quote for the same account to terminate the asset.
2. Enter termination date as 2/15/2017.
3. Accept the quote to activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

**Result:**

- A new agreement is created with negative agreement fees.

Agreement Fee A2	
Start Date	2/15/2017
End Date	3/31/2017
Transaction Price	[-]\$150
Allocation Price	[-]\$150

- Performance Obligation is updated to reflect the new transaction price and new allocation price.

Obligation O1	
Start Date	1/1/2017
End Date	3/31/2017
Transaction Price	\$150
Allocation Price	\$150

## Revenue Recognition for Asset Upgrades

Asset upgradations are done by increasing the contract term, by increasing the price of the asset or by increasing the quantity of the asset. When you update an asset, a new agreement fee is created for remaining amount of the obligation.

### Use Case: Revenue Recognition for increased quantity of an asset

Description: This use case describes how the revenue is affected when you increase the quantity of the asset.



Suppose you are a revenue administrator for a company selling laptops. Your customer has purchased 2 laptops for \$300. The contract period is from 1/1/2017 to 6/30/2017. On 4/1/2017, your customer purchased 2 more laptops.

**Prerequisite:**

Revenue is recognized for six months by creating performance obligations and agreement fees.

Obligation O1	
Start Date	1/1/2017
End Date	6/30/2017
Transection Price	\$300
Allocation Price	\$300
Agreement Fee A1	
Start Date	1/1/2017
End Date	6/30/2017
Transection Price	\$300
Allocation Price	\$300

**Steps:**

1. Create a new quote for the same account to amend the asset.
2. Change the quantity to 4.
3. Accept the quote to activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

**Result:**

- A new agreement is created with agreement fees for the additional 2 laptops.

Agreement Fee A2	
Start Date	4/1/2017
End Date	6/30/2017
Transection Price	\$300
Allocation Price	\$300

- Performance Obligation is updated to reflect the new transaction price and new allocation price.

Obligation O1	
Start Date	1/1/2017
End Date	6/30/2017

Obligation O1	
Transection Price	\$600
Allocation Price	\$600

## Revenue Recognition for Asset Downgrades

Assets are downgraded by decreasing the contract term, by decreasing the price of the asset or decreasing the quantity of the asset. When you downgrade an asset, a negative agreement fee is created for delta amount of the obligation.

### Use Case: Revenue Recognition for decreased price of an asset

Description: This use case describes how the revenue is affected when you decrease the price of the asset.

Suppose you are a revenue administrator for a company computer software. Your customer has purchased a gold subscription of your software for \$600. The contract period is from 1/1/2017 to 6/30/2017. On 5/1/2017, your customer downgraded his subscription to silver which costs \$500.

**Prerequisite:**

Revenue is recognized for six months by creating performance obligations and agreement fees.

Obligation O1	
Start Date	1/1/2017
End Date	6/30/2017
Transection Price	\$600
Allocation Price	\$600
Agreement Fee A1	
Start Date	1/1/2017
End Date	6/30/2017
Transection Price	\$600
Allocation Price	\$600

**Steps:**

1. Create a new quote for the same account to amend the asset.
2. Change the net price of the asset to \$500.

3. Accept the quote to activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

**Result:**

- A new agreement is created with agreement fees for the additional 2 laptops.

Agreement Fee A2	
Start Date	5/1/2017
End Date	6/30/2017
Transection Price	[-]\$100
Allocation Price	[-]\$100

- Performance Obligation is updated to reflect the new transaction price and new allocation price.

Obligation O1	
Start Date	1/1/2017
End Date	6/30/2017
Transection Price	\$500
Allocation Price	\$500

## Revenue Recognition for Renewed Assets

When you renew an asset, revenue is recognized for the renewed contract term. Performance obligation is updated to include revenue recognized for the extended contract term.

### Use Case: Revenue Recognition for Renewed Assets

Description: This use case describes how negative agreement fees are created when an asset is canceled.

Suppose you are a revenue administrator of a company selling computer software. Your customer has purchased the software subscription for a month for \$300. The contract period is from 6/1/2017 to 6/30/2017. On 6/15/2019, the customer renews the software subscription for one more month.

**Prerequisite:**

Revenue is recognized for the month of June. Performance obligations and agreement fees are created as follows:

Obligation O1	
Start Date	6/1/2019
End Date	6/30/2019

<b>Transaction Price</b>	\$300
<b>Allocation Amount</b>	\$300
<b>Agreement Fee A1</b>	
<b>Flat Fee</b>	\$300
<b>Actual Start Date</b>	6/1/2019
<b>Actual End Date</b>	6/30/2019

**Steps:**

1. Create a new quote for the same account to renew the asset. Enter Start Date and End Date as 7/1/2019 and 7/31/2019 respectively
2. Renew the quote using the Proposal End Date as the renewal date.
3. Accept the quote to activate the order.
4. Once the order is created, enter the order activation date, order fulfillment date, and revenue recognition date.

**Result:**

A new agreement is created as follows:

<b>Agreement Fee A2</b>	
<b>Flat Fee</b>	\$300
<b>Actual Start Date</b>	7/1/2019
<b>Actual End Date</b>	7/31/2019

Performance Obligation is updated to reflect the new transaction price and new allocation price.

<b>Obligation O1</b>	
<b>Start Date</b>	6/1/2019
<b>End Date</b>	7/31/2019
<b>Transaction Price</b>	\$600
<b>Allocation Amount</b>	\$600

## Revenue Recognition for Usage Based Products

Traditionally One-time, Recurring, and Usage are the three types of billing models. With the advent of service-based industries, usage-based billing model is quite popular because customers wish to pay only for what they consume.

For example, a high-tech company may offer a monthly cloud-based data storage product.


If a product has the **Price Type** set to *Usage*, it is a usage-based product and hence qualifies for the Usage-based billing. When an order containing a usage-based product is activated, a Usage Schedule in addition to the Billing Schedule is generated. You can input the usage volume/quantity through Usage Inputs and derive the usage amount for that input. The net amount due at the time you generate an invoice then depends on the quantity of the units consumed and the per unit price of the product or service.

You must provide a Usage Input to record the usage quantity consumed within a specific duration. For more details on usage inputs and usage-based billing, refer to *Apttus Billing Management User Guide*.

Revenue is recognized for a usage-based product once the billing schedules are invoiced and the order reaches Revenue Recognition date.

## Recognizing Revenue for Usage Based Products

Usage-based products create Agreement Fee Schedules. For usage-based products, use **Ratable or Ratable-Day** as the Revenue Recognition policy.

 Split Revenue Recognition Policy is not supported for Usage Based Products.

To recognize revenue for a usage-based product,

1. Create an order with a usage-based product. The product which is now an activated asset will have a Usage and a Billing Schedule generated automatically.
2. Activate the order.
3. Enter Usage Input to record the quantity consumed over a period.
4. Rate the Usage Input. This quantity is reflected in the Usage Schedules for the effective period.
5. The rated amount derived from the Usage Input is reflected in the Billing Schedules for the effective period.
6. Enter Revenue Recognition Date.
7. Agreement and Agreement Fee schedules are created.

## Use Case: Revenue Recognition for Usage Based Product

Description: This use case describes how revenue agreement fee schedules are created for usage-based products

Suppose your customer is billed according to the flat rate defined for each fix quantity for a usage product 'StarKit'. A flat rate is defined for quantity as per the following:

- 10 units = \$120
- 20 units = \$150
- 30 units = \$275
- 40 units = \$500

### Prerequisite:

Starkit Product Configuration:

- Price Matrix
  - 10 units = \$120
  - 20 units = \$150

- 30 units= \$275
  - 40 units = \$500
- 
- Revenue Recognition Policy: Ratable

**Steps:**

1. Accept a Quote containing the products with Start date as 1/Jan/2018 and End date as 31/December/2018.
2. Once the order is created, enter the order activation date. Billing Schedules and Usage Schedules are created.
3. Create Usage Inputs as follows:
  - a. Quantity: 10
  - b. Quantity: 20
4. Process the Usage Inputs to see rated amount as \$120 and \$150 respectively.
5. Invoice the billing schedules associated with the Usage Schedules.

**Result:**

- Agreement Fee Schedules are created for each corresponding Usage Schedules.
- **Agreement Fee** is equal to \$270.

## Revenue Recognition for Usage Input Modifications

When a rated usage input is modified, the related agreement fee schedules are updated to reflect the latest adjustments.

## Terminating a Usage Based Asset

Revenue Recognition stops when you terminate a usage-based asset. Agreement Fee schedules and Agreement Fee are not updated for a terminated usage asset.

## Revenue Run

A Revenue Run is a batch job to process agreements in bulk. You can initiate a revenue run immediately or schedule it for the future and filter it by Account or Legal Entity. Using the Revenue Run, you can execute the **Generate Actuals**, **Generate Forecasts**, **Close Period**, and **Rollback Period** batch jobs for a particular account or a legal entity.

## To initiate a Revenue Run

1. From All Tabs, click the **Revenue Runs > New**.
2. Enter a unique name for this specific Revenue Run instance. A unique name enables you and others in your organization to track, report, and troubleshoot this batch job.
3. Select the **Job Type**. You can select [Generate Actuals](#), [Generate Forecasts](#), [Rollback Actuals](#), or [Rollback Forecast](#).
4. Select the **Run Type**. Refer to [Scheduling Options](#) for details on run types.
5. Define a **Filter Criteria** to determine the scope of the Revenue Run. Refer to [Defining Filter Criteria](#) for more details.

## 6. Click **Run** or **Schedule**.

### Editing a Revenue Run

You can edit a scheduled revenue run to make changes to the filter criteria. Once you schedule a revenue run, you cannot make changes to your scheduling options. To edit a revenue run,

1. From the revenue run detail page, Click **Edit**.
2. Make changes to your filter criteria.
3. Click **Save**.

The next revenue run batch job considers the updated filter criteria.

## Defining Filter Criteria

Revenue Runs enable you to define the filtering criteria that will determine which agreements are processed for recognizing the revenue.

You can define the filter criteria on two key objects:

- Account
- Legal Entity

For example, you are an executive in the Revenue department of a software company and you want to recognize revenue for *UK* Legal Entity.

Let us see how you can apply filter criteria for the following scenarios in Apttus Revenue Recognition

- Process Agreements for a particular account

- Recognize revenue for US Legal Entity

Filter Criteria

Legal Entity

Account

Legal Entities

US

**Note**

The filters on Account and Legal Entity are grouped by AND operator by default.

## Advance Filter Condition

Advance filter condition provides you the flexibility to specify a logical relationship between various filter criteria. Consider the following condition:

You want to recognize revenue for all accounts with billing country as Brazil or Mexico.

Filter Criteria

Legal Entity

Account

	Field	Operator	Value	
1	Account : Billing Country	equal to	Brazil	Delete
2	Account : Billing Country	equal to	Mexico	Add Delete

[Clear Advanced Options](#)

Advanced Filter Condition

1 OR 2

to recognize revenue for all accounts with billing country as Brazil or Mexico, set the Advance Filter Criteria as 1 OR 2. This expression determines the scope of the revenue run batch job.

## Scheduling Options

Revenue Run provides two scheduling options:



## Immediate

You can recognize actual or forecast revenue for any account or legal entity. To execute revenue run immediately,

1. Under **Revenue Run > Scheduling Options**, select the **Run Type** as *Immediate*.
2. Click **Run**.

 Rollback Actuals and Rollback Forecast job are always executed in the immediate mode.

## Scheduled

You can execute the Generate Actuals or Generate Forecast batch job on a defined schedule. To schedule the revenue run,

1. Under **Revenue Run > Scheduling Options**, select the **Run Type** as *Scheduled*.
2. Define values for the fields described in the following table.

Field	Description
<b>Schedule Type</b>	Select from one of the following options: <ul style="list-style-type: none"> <li>• <b>Weekly</b> - To perform this Revenue Run every week.</li> <li>• <b>Monthly by date</b> - To perform this Revenue Run every month on a specific date.</li> <li>• <b>Monthly by day</b> - To perform this Revenue Run every month on a specific day.</li> </ul>
<b>Preferred Start Time</b>	Define the specific hour and minutes of the day when you want to schedule this Invoice Run.
<b>Week Day</b>	Select a day of the week when you want to perform the Invoice Run.
<b>Schedule Run from</b>	Enter the date you want to start this Revenue Run.
<b>Schedule Run To</b>	Enter the date you want to stop this Revenue Run.

3. Click **Schedule**.

After you submit the revenue run batch job, you are redirected to the Revenue Run Detail page. Click the **Related** tab, to navigate to your revenue result.

Revenue Run
Rollback Actuals\_7/23/2019 3:22:02 PM IST\_Immediate
Cancel

Related
Details

Revenue Run Information

Revenue Run Name	Rollback Actuals_7/23/2019 3:22:02 PM IST_Immediate	Job Type	Rollback Actuals
Run Type	Immediate	Scheduled Job Id	707W000001kQ1AR

Filter Criteria

Legal Entity	LE:Reg_RC	Filter Expression
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## Revenue Run Results

After you complete processing a Revenue Run, you can see the results on the Revenue Run Result Detail page.

Revenue Run Result Detail

EditDeleteCloneSubmit for Approval

Revenue Run

Sh\_Actuals\_UK

Owner

QA Manager

Change

Revenue Run Result Name

Sh\_Actuals\_UK 7/12/2018 12:30:12 AM IST

Total Agreements Processed

1,349

Scheduled Job Id

707W000001kxPPIAZ

Total Schedules Created

1,349

Status

Completed

Created By

QA Manager, 7/12/2018 12:30 AM

Last Modified By

QA Manager, 7/12/2018 12:32 AM

EditDeleteCloneSubmit for Approval

Agreement Revenue Schedules

New Agreement Revenue Schedule

Agreement Revenue Schedules Help

Action	Agreement Revenue Schedule Id	Period Number	Period Date	Actual Recognized Revenue	Actual Deferred Balance Amount	Actual Amount	Forecast Amount	Forecast Recognized Revenue
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005703</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005704</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005705</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005706</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005707</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005708</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005709</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005710</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005711</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005712</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005713</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005714</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005715</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0000005716</a>	1	6/30/2018	USD 96.00000	USD 1,056.00000	USD 96.00000		

The revenue run result page lists down all the agreements processed in the batch job.

Agreement Revenue Schedules are generated if Generate Actuals was set as the Job Type.

Agreement Revenue Schedule Forecasts are generated if Generate Forecasts was set as the Job Type.


## Creating Agreements in Bulk

You can now create Revenue Agreement records in bulk when you import multiple order line records belonging to multiple orders in your Salesforce Org. When you import multiple activated order line records using a third party data loader tool, Revenue Recognition validates the order line data and creates Revenue Agreements for all the activated order line items. One revenue agreement is created for each order.

After successful submission of the order line items through the data loader, you will receive a pop-up notification indicating the number of agreement records created successfully and unsuccessfully.

Apttus recommends the following batch job size for creating bulk agreements:

- Batch job size: 50
- No of orders: 50
- No of order line items in each order: 100

 The recommended batch job size numbers are tested in a vanilla out-of-the-box version of the product. The numbers might vary based on the customizations done in your Salesforce instance of Apttus Revenue Recognition.

## Processing Agreements in Bulk

You can activate and update Revenue Agreement records in bulk by inserting multiple agreement records in your Salesforce Org. When you import multiple agreement records using a third party data loader tool, Revenue Recognition activates and updates all the agreements. You can update Start Date, End Date, Agreement Status and all the other fields of agreement object.

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