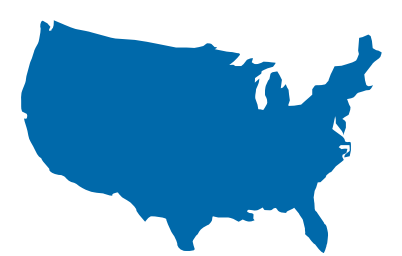


Are you prepared for ASC Topic 606 and IFRS 15?


EFFECTIVE DATES:

Public Companies
 12/15/17 – IFRS 15
 1/1/18 – ASC 606

Private Companies
 1/1/18 – IFRS 15
 12/15/18 – ASC 606





ASC 606
 Issued by FASB



IFRS 15
 Issued by IASB

What are ASC Topic 606 and IFRS 15?

The Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) jointly issued a converged standard on revenue recognition from contracts with customers. Previously, FASB and IASB had different requirements, making it difficult to compare financial statements globally. This new standard will bring clarity to how companies recognize revenue for goods and services.

  ASC 606/IFRS 15 indicate that revenue is recognized when a good or services is transferred to the client and the client has received control of that good/service

How does this impact my business?



People

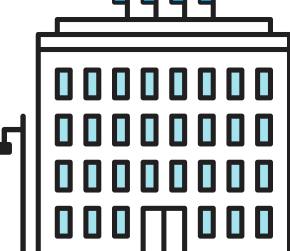


Processes



Systems

It's more than just the numbers that are impacted – assess the impacts to your people, processes and systems.



47%
 of private companies have not even started assessing the impact of these standards¹

Who is impacted?

If you interact with client contracts, you need to know about ASC 606/IFRS 15 – not just accounting.



Marketing



Business Development

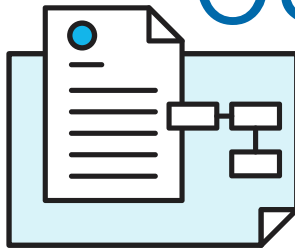


Project Management



Finance/Accounting

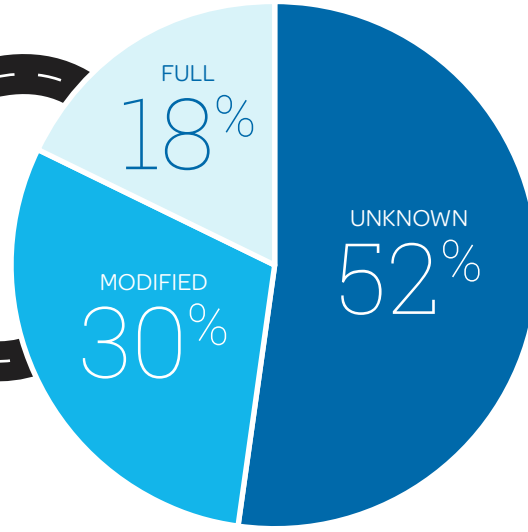
63%
 of companies plan to leverage internal resources to implement new standards¹



Which path to adoption is best for you?

PATH 1
 Full Retrospective

PATH 2
 Modified Retrospective



Which path are other companies taking?¹

5-Step Model for Recognizing Revenue with ASC Topic 606 and IFRS 15

- 1 Identify the Contract with the Client**
 Companies may need to combine or separate contracts; restructure contract language and provisions of language
- 2 Identify the Separate Performance Obligations**
 Goods and services may need to be combined into a single performance obligation or broken apart into separate performance obligations depending on whether the good or service is distinct and has value on its own
- 3 Determine the Transaction Price**
 Processes for changes to agreements and write-offs needs to be monitored for easy review. Variable considerations and payment terms can also impact transaction price and may need to be handled differently in financial statements.
- 4 Allocate Transaction Price to Performance Obligations**
 If there is more than one performance obligation, transaction price needs to be allocated to each. Companies must also determine if/where variable considerations need applied.
- 5 Recognize Revenue as Each Performance Obligation is Satisfied**
 Control passes to customer either 'over time' or 'point in time'

53% percent of survey respondents believe system changes (billing, AR, etc.), including a change to ERP systems, will need to be made to implement the new standard.¹

Can your system support ASC 606/IFRS 15?

- Does your solution have the flexibility you need to allocate revenue to multiple performance obligations?
- Does your solution help automate and manage revenue recognition processes?
- Can you easily make adjustments to existing contracts?
- Can you conduct detailed financial analysis including billing, revenue recognition and forecasting?

How Deltek can help

Deltek can support your company to meet the requirements of the revenue recognition standards. Simply using any one solution does not ensure compliance, but with Deltek, your company can efficiently apply the five steps of the new revenue recognition standards with these key benefits:

- Analyze and compare calculations quickly and easily by project, business unit, company and more for greater visibility into your financials
- Automate revenue recognition processes for consistency
- Eliminate time wasted on manual reconciliation
- Reduce time spent calculating and determining the right revenue recognition
- Deliver financial statements and reports quickly and easily with the right level of detail
- Apply the five-step revenue recognition process efficiently and manage detailed audit reports to support compliance
- Analyze actual revenue and realistic forecasts with a single integrated solution to support the complete project lifecycle.

Contact us today to learn more about how Deltek can help you gain greater visibility and insight into your financial management, while supporting compliance with critical standards like ASC 606 and IFRS 15.