

Exari’s Solution for International Revenue Recognition Standards

Achieve Compliance for ASC606 and IFRS-15

In May 2014, the Financial Accounting Standards Board (FASB) together with the International Accounting Standards Board (IASB) issued new standards for recognizing revenue from contracts with customers, with a 2018 effective date.

This new standard mandates that organizations “recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services”¹.

5 Steps for Complying

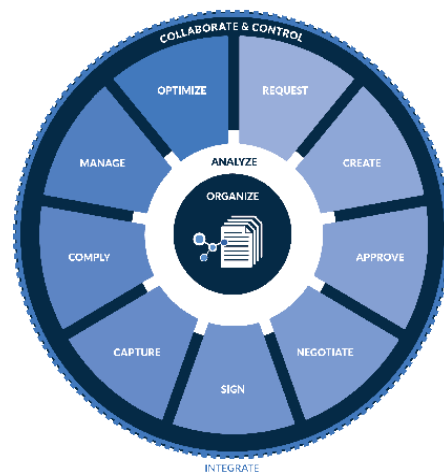
In order to help organizations, understand and comply with these new standards, the IASB has released a five step plan for recognizing revenue:

- Identify the contract with a customer
- Identify the performance obligations within the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize the revenue when the reporting organization satisfies a performance obligation

Exari’s Automated Solution

Having access to accurate trusted data about your current contracts – including more detailed information about the terms of those contracts – is a critical step towards revenue recognition compliance.

Exari’s enterprise contract management system is purpose-built for storing, managing and providing insight into the data buried inside complex contracts portfolios. For revenue contracts (and all other contract types), we allow you to transform documents into useable and reportable contract data.



¹ http://www.fasb.org/csContentServer?c=Page&pagename=FASB%2FPage%2FBridgePage&cid=1351027207987#section_1

How Exari Contracts™ Accelerates Revenue Recognition Compliance

Organize all your contracts in a secure, trusted repository so that you can satisfy the need to identify every customer contract

Verify that you have executed copies of all critical documents, including originals, work orders, purchase orders, and amendments, so that your assessment of those contracts is both accurate and complete

Identify the performance obligations, payment obligations, transaction price (fixed vs variable) and other material rights using Exari's off-the-shelf universal contract model, via a combination of wizard based and machine extraction techniques (the only way to ensure you have data you can trust)

Capture additional terms that are essential to the assessment of when and how to recognize revenue, including refund obligations, early termination rights, warranties, title transfer, shipping and acceptance terms

Analyze the data within your contracts to ensure that one-off and non-standard terms are understood and accounted for

Monitor your contract portfolio for material changes, and trigger automated alerts for events that may require revenue to be reassessed/restated, including amendments, change orders and termination events

Streamline your ongoing contract drafting, approval and negotiation process with Exari's user-friendly DIY contract wizard, Word Negotiator Ribbon and automated approval workflows – ensuring future contracts are compliant and aligned with best practice

Why Exari?

- Out of the box features for capturing, reporting and analyzing Revenue Recognition
- A Universal Contract Model that sets the standard for accurate, trusted, “golden source” contract data, with unique features for “rolling up” the prevailing terms of contracts as they change over time
- The Most Complete enterprise contract management platform, with strong features across the entire contract lifecycle, ensuring that your contracts investment can evolve over time to address data, process, risk, integrations and other challenges

ABOUT EXARI

Exari delivers the most complete Enterprise Contract Lifecycle Management platform, used every day by market-leading companies to understand all aspects of their contract ecosystem worldwide. With Exari, customers can reduce contract risk and improve operating efficiency with 100% Contract Certainty™.

