

Revenue Recognition Module

SITUATION: Government regulations. Merger or acquisition confusion. Certification of revenues derived from data with no audit trail, manual redundant processes or spreadsheets. Spreadsheet fatigue with important revenue timing.

SOLUTION: Budget Maestro Revenue Recognition module

REASON: Enables you to compute the planned revenue to be recognized in the appropriate periods by customer types, products, projects by defining the length of the contract. Dramatically simplifies complex series calculations. Easily integrates the revenue forecast as you layer multiple contracts over multiple months and years.

What it helps you do:

- Automate and streamline inefficiencies and enhance compliance controls for:
 - Revenue Forecasting
 - Maintenance and Support contracts
 - Renewals
 - Royalties
 - Recurring subscriptions
 - Professional services
- Easily layer multiple, multi-month contracts (2 months to 10 years out)
- Create custom schedules
- Automatically calculate portion of revenue to be recognized per month and assign the balance to your Balance Sheet
- Synchronize the P&L, Balance Sheet and Cash Flow statements to truly reflect the impact of deferred revenue schedules on the business

Transaction Type	GL	DR(+) CR(-)	Jan 05 FY 2005 Plan Basis	Feb 05 FY 2005 Plan Basis	Mar 05 FY 2005 Plan Basis
Period Sales			1,000,000.00	1,500,000.00	-
Period Cost			500,000.00	750,000.00	-
Gross Margin			500,000.00	750,000.00	-
Revenue	4010-00 (Sales Revenue)	CR	333,333.33	833,333.33	833,333.33
Deferred Rev. Dec.	2200-00 (Deferred Rev)	DR	333,333.33	833,333.33	833,333.33
Deferred Rev. Inc.	2200-00 (Deferred Rev)	CR	1,000,000.00	1,500,000.00	-
Sales	1200-00 (Accounts Rec	DR	1,000,000.00	1,500,000.00	-
Receivable	1200-00 (Accounts Rec	CR	-	1,000,000.00	1,500,000.00
Cash Received	1100-00 (Cash)	DR	-	1,000,000.00	1,500,000.00
Cost of Sales	5010-00 (Cost of Sales)	DR	500,000.00	750,000.00	-
Payment	1100-00 (Cash)	CR	500,000.00	750,000.00	-

Budget Maestro automatically calculates the waterfall effect of multiple revenue streams **1** and **2** of deferred revenue transactions on your Income Statement and Balance Sheet.

In addition: Budget Maestro's Revenue Recognition component is consistent with the best practices detailed in FASB and SEC guidelines for software licensing revenue recognition.

With Budget Maestro, your deferred revenue data is in one, centralized database. It is based on specific schedules, enabling you to see accurate and detailed views regarding the flow of deferred revenue to your Income Statement and Balance Sheet. Now, you'll spend more time on analysis - looking at how these numbers affect your business - rather than in the development of complex spreadsheets that are prone to error, undocumented and hard to audit.

Think about what you could do with a tool that:

- Enables you to build and maintain a revenue recognition schedule without the confusion and labor of a spreadsheet
- Automatically synchronizes your data with built in logic, eliminating the potential for error or miscalculation via broken links between workbooks
- Ensures precision in revenue recognition in compliance with Sarbanes-Oxley and other governmental regulations
- Ensures complete data integrity, enabling more accurate revenue forecasting

Want to know more?

Talk to your Centage Account Manager at **800.366.5111** or visit us at **www.centage.com**



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