

THERE ARE FIVE STEPS YOU NEED TO TAKE TO IMPLEMENT ASC 606

EACH OF THESE STEPS ARE IMPORTANT AND SHOULD BE FOLLOWED IN ORDER, FOR EACH CONTRACT.

1 IDENTIFY THE CONTRACT(S) WITH THE CUSTOMER



2 IDENTIFY SEPARATE PERFORMANCE OBLIGATIONS WITHIN THE CONTRACT



3 DETERMINE THE TRANSACTION PRICE



4 ALLOCATE THE TRANSACTION PRICE TO THE PERFORMANCE OBLIGATIONS



5 RECOGNIZE REVENUE WHEN, OR AS, THE PERFORMANCE OBLIGATION IS SATISFIED

