

Revenue Recognition Task Force

Status of Implementation Issues



On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The standard will eliminate the transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. This standard has the potential to affect every entity's day-to-day accounting and, possibly, the way business is executed through contracts with customers.

The AICPA has formed sixteen industry task forces to help develop a new Accounting Guide on Revenue Recognition that will provide helpful hints and illustrative examples for how to apply the new Revenue Recognition Standard.

Below is a list of potential revenue recognition implementation issues identified by a select number of AICPA Revenue Recognition Task Forces. The list contains the status of each implementation issue and will be updated as the issues make their way through the due diligence process. This process includes a thorough review by AICPA's Revenue Recognition Working Group (RRWG) and Financial Reporting Executive Committee (FinREC), as well as FASB's Transition Resource Group (TRG), where applicable. More information regarding these revenue recognition implementation issues is posted regularly on the AICPA Revenue Recognition Resource Center located at <http://www.aicpa.org/revenuerecognitionrecognition>

Overall Status by Industry

Ref.	Industry	Posted to AICPA Website for Exposure	Resubmitted to AICPA RRWG	Resubmitted to FinREC	Finalized for Guides
1	A&D	13	13	13	13
2	Airlines	14	14	14	14
3	Broker Dealers	9	9	9	9
4	Engineering & Construction	7	7	7	7
5	Depository	2	2	2	2
6	Gaming	17	17	17	17
7	Hospitality	4	4	4	4
8	Healthcare	8	8	8	8
9	Insurance	2	2	2	2
10	Investment Asset Management	10	10	10	10
11	Not-for-Profit	4	4	4	4
12	Oil & Gas	5	5	5	5
13	Power Utility	10	10	10	10
14	Software	9	9	9	9
15	Telecomm	12	12	12	12
16	Timeshare	6	6	6	6
	TOTALS	132	132	132	132

Aerospace and Defense Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Acceptable measures of progress (including uninstalled materials and wasted materials)</p> <p>This implementation issue will discuss items to consider when determining which method to use when measuring progress towards completion of performance obligations satisfied over time.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Accounting for Contract Costs</p> <p>This implementation issue will discuss considerations for applying the guidance in FASB ASC 340 for incremental costs of obtaining a contract, costs to fulfill a contract, and amortization and impairment, to costs typically incurred in aerospace and defense contracts including precontract costs and learning or start-up costs.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Variable Consideration and Constraining Estimates of Variable Consideration</p> <p>This implementation issue will discuss considerations for estimating the amount of variable consideration (incentive fees, award fees, economic price adjustments) in aerospace and defense contracts, the impact of subsequent modifications, and how to determine the amount of estimated variable consideration to include in the transaction price.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Contract Existence and Related Issues for Foreign Contracts with Regulatory Contingencies and Unfunded Portions of U.S. Government Contracts</p> <p>This implementation issue discusses how required regulatory approval impacts the determination of whether an executed/signed contract meets the criteria for existence of a contract under ASC 606, and how unfunded portions of U.S. Government contracts should apply the guidance for variable consideration.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Transfer of Control on Non-US Federal Government Contracts</p> <p>This implementation issue discusses considerations for determining when non-US Government Aerospace & Defense contracts should be considered performance obligations satisfied over time rather than at one point in time.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Separation/Segmentation</p> <p>This implementation issue will discuss how to determine distinct performance obligations in aerospace and defense contracts that design, develop, produce, or deliver equipment such as military vehicles or specialized aircraft engines.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Contract modifications, unpriced change order, claims</p> <p>This implementation issue will discuss the following considerations related to contract modifications on aerospace and defense contracts:</p> <ul style="list-style-type: none"> • evaluating whether a modification to a contract exists, 	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

	<ul style="list-style-type: none"> • how to determine whether a modification to a contract should be treated as a separate contract or part of the existing contract, • If a modification is treated as part of the existing contract, how does an entity determine whether the modification should be treated prospectively or through a cumulative catch-up adjustment? 	
10	<p>Disclosures</p> <p>This implementation issue will discuss considerations for applying the disclosure requirements in FASB ASC 606.</p>	Finalized –included in the AICPA Guide <i>Revenue Recognition</i>
12	<p>Significant Financing Component</p> <p>This implementation issue will discuss considerations needed to assess whether a significant financing component exists in determining the transaction price for various types of aerospace and defense contracts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
14	<p>Accounting for offset obligations</p> <p>This implementation issues will discuss considerations for determining the accounting for offset obligations included in contracts with foreign customers</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
16	<p>Allocating the Transaction Price</p> <p>This implementation issue will discuss considerations for determining how to allocate the transaction price to multiple performance obligations in aerospace & defense contracts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
20	<p>Impact of Customer Termination Rights and Penalties on Contract Term</p> <p>This implementation issue will discuss how to determine the term of a contract with a customer in ASC 606 when the customer has a unilateral right to cancel the contract without cause, and if the existence of a specified termination payment/penalty impacts the analysis.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Airlines Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Regional contracts</p> <p>This implementation issue will describe key elements of Capacity purchase agreements (CPA) and how to account for them under FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Passenger tickets – Breakage</p> <p>This implementation issue will discuss the recognition of revenue for passenger ticket breakage (which consists of tickets for which the passenger is not expected to exercise their rights under the ticket contract with the airline and, as a result, the ticket will expire unused) and accounting and breakage considerations related to travel vouchers.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Ancillary services</p> <p>This implementation issue will discuss considerations for applying the guidance in FASB ASC 606 to ancillary services and related fees charged by airlines.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Interline transactions</p> <p>This implementation issue will discuss considerations for applying the guidance in FASB ASC 606, including classification under principal vs. agent for arrangements that airlines have amongst each other to sell tickets under which one or more segments of the journey will be flown by another carrier.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5A	<p>Interline Commissions</p> <p>This implementation issue will discuss considerations for accounting for commissions in interline transactions.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6A D	<p>Loyalty - Brand Name and Customer List</p> <p>This implementation issue will discuss considerations related to maintenance of customer list database as well as accounting and recognition of brand/customer list (sales-based royalties) and recognition of other co-brand performance obligations (advertising, marketing, waived bag fees, priority boarding, lounge access)</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6c	<p>Determination of whether loyalty status constitutes a separate deliverable (in addition to flight and other loyalty components in a ticket or other transactions)</p> <p>This implementation issue discusses whether loyalty status is a separate performance obligation or a marketing incentive.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6f	<p>Financing on advance mile purchases</p> <p>This implementation issue discusses whether miles accumulated in customer loyalty accounts and advance purchases of miles by financial institutions, in which the airline receives time value benefit, have a significant financing component.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6g	<p>Co-brand arrangement adjustments for volume and overall transaction allocation</p> <p>This implementation issue discusses in co-brand credit card agreements in which an airline concludes that a license of intellectual property is not the predominant item, when the total amount of consideration and the volume of the various benefits to be delivered to customers are both variable how, if at all, should airlines adjust</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

	<p>their allocation of the relative standalone selling price during the term of the contract.</p>	
6h	<p>Estimating Standalone Selling Price</p> <p>This implementation issue discusses the acceptable methods for determining standalone selling price of mileage credits awarded to airline loyalty program members.</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>
6i	<p>Interline Loyalty transactions</p> <p>This implementation issue will address whether the sponsoring airline is acting as a principal or agent when its loyalty customers redeem their mileage credits on partner airlines or for non-air travel services or goods from third-party providers and whether the related revenue and expense should be presented on a gross or net basis.</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>
8	<p>Accounting for Contract Costs - Commissions and Selling Costs</p> <p>This implementation issue provides considerations for determining whether typical costs incurred in obtaining a ticket qualify for capitalization and, if so, over what would be the appropriate amortization period.</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>
10	<p>Accounting for Passenger Taxes & Related Fees</p> <p>This implementation issue will discuss if taxes and related fees charged by government and airport authorities required to be collected and remitted by the airline should be recorded on a gross or net basis?</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>
11	<p>Change Fees</p> <p>This implementation issue provides considerations for applying the guidance in ASC 606 to airline change fees, and whether changes made to an existing itinerary qualify as a distinct service, what would be the appropriate revenue classification, and if there are any unique disclosures to be made.</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>

Asset Management Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Who is the customer?</p> <p>This implementation issue will discuss considerations needed when assessing whether a contract exists between an asset manager and customer, and identifying who the customer is (the investor or the fund)?</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Management fee revenues</p> <p>Recognition of management fee revenue. This implementation issue will discuss when and how to recognize revenue from management fees, including unitary fees, under the new model.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Fee waivers / Fund Expense Reimbursements</p> <p>Accounting for management fee waivers and customer expense reimbursements. This implementation issue will discuss how to account for management fee waivers and customer expense reimbursements in asset management contracts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Costs of managing investment companies</p> <p>This implementation issue discusses the accounting under FASB ASC 340-40 for costs to fulfill and costs to obtain a contract, including launch costs, ongoing servicing expense, and sales bonus expense</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Incentive or performance fee revenues (including carried interest)</p> <p>This implementation issue discusses how and when incentive or performance revenue, excluding carried interest, should be recognized under the new standard.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5a	<p>Incentive-based capital allocations</p> <p>This implementation issue raises the question of whether incentive-based capital allocations, such as carried interest, fall within the scope of FASB ASC Topic 606 or FASB ASC Topic 323, <i>Investments—Equity Method and Joint Ventures</i>.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Recognition of contingent deferred sales charges</p> <p>This implementation issue evaluates the criteria used to recognize revenue from CDSC under the new guidance, including the identification of separate performance obligations and variable consideration.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Deferred distribution commission expenses (back end load funds)</p> <p>This implementation issue will discuss how an asset manager (or its mutual fund distributor subsidiary) should account for commissions paid to a mutual fund distributor for back-end load funds. This implementation issue will also discuss considerations for applying the guidance in FASB ASC 340 to deferred distribution commission expenses.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Identifying the Contract</p> <p>This implementation issue will discuss considerations for when identifying the contract with a customer.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

9	Gross versus Net The issue discusses when an asset manager is considered a principal or an agent.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
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Brokers and Dealers in Securities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Commission Income – Asset Purchases and Sales</p> <p>This implementation issue will discuss considerations for broker-dealers in applying the guidance in ASC 606 to trade-based commission income earned by providing trade facilitation, execution, clearance and settlement, custody, and trade administration services to its customers.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
1a	<p>Commission Income – Trade Date</p> <p>This implementation issue will discuss whether the trade execution performance obligation satisfied on the trade date or the settlement date.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Selling and Distribution Fee Revenue</p> <p>This implementation issue will discuss how the new standard may affect revenue recognition of selling and distribution fees by broker-dealers or distributors. The fees discussed may be paid at the front-end, back-end, or structured as a combination. In addition, the accounting for various costs incurred by broker-dealers and distributors will be discussed.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Costs associated with underwriting</p> <p>This implementation issue will discuss the account for the costs associated with underwriting services; including if presentation of such expenses be on a gross (principal) or net (agent) basis.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3a	<p>Costs associated with investment banking advisory services</p> <p>This implementation issue will discuss the accounting for costs associated with investment banking advisory services, including whether costs incurred to obtain a contract to provide advisory services to a customer (“advisory contract”) should be deferred and recognized at the time the related advisory revenues are recorded, and if reimbursable costs incurred in performing services to fulfill an advisory contract should be deferred and recognized at the time the related advisory revenues are recorded.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Underwriting and related fee income</p> <p>This implementation issue will discuss how underwriting fee revenue should be recognized under FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Advisory fee income</p> <p>This implementation issue will discuss when to recognize investment banking advisory fees under the scope of FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Soft dollar revenues</p> <p>This implementation issue addresses recognition of revenue earned from soft-dollar arrangements</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Revenue from financial instruments out of scope</p> <p>This implementation issue will discuss clarification that the recognition of realized and unrealized gains and losses on proprietary transactions involving the purchase and sale of financial instruments and interest and dividend income on financial instrument contracts held by broker dealers are excluded from the scope of FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Engineering and Construction Contractors Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Identifying the Unit of Account (including combining contracts, loss of segmentation guidance, options, separate performance obligations)</p> <p>This implementation issue will discuss how to determine the unit of account for recognition of revenue and margin for engineering and construction contracts, including combining of contracts, segmenting of contracts, and identifying performance obligations.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Variable Consideration / Estimation Method (including claims, change orders (unpriced and unapproved), incentives, penalties, extras, liquidated damages, back charges, collectability)</p> <p>This implementation issue will discuss what are the factors to consider in estimating the amount of variable consideration to which an entity will be entitled, and how an entity should determine the amount of estimated variable consideration to include in the transaction price.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Acceptable measures of progress (including when each measure is acceptable to use, Accounting for Service Contracts, Wasted Materials)</p> <p>This implementation issue will discuss what are acceptable measures of progress for Engineering & Construction contracts that are performance obligations satisfied over time.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Uninstalled materials</p> <p>This implementation issue will discuss whether the determination for model applicability is only required at the onset of the contract; whether the model applies to both inventoriable and non-inventoriable (i.e. – highly customized) materials; and how to account for such materials when installed (i.e., “day 2”).</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Impact of Termination for Convenience on Contract Duration</p> <p>This implementation issue will discuss considerations for evaluating termination for convenience clauses in E&C contracts when determining the contract duration.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Contract costs</p> <p>This implementation issue will discuss the accounting for pre-contract costs, costs that qualify for capitalization, and fulfillment costs.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Disclosures</p> <p>This implementation issue will discuss considerations for disclosures required by FASB ASC 606 for E&C entities.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Depository and Lending Institutions Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	ASC 606 Scope Issues: credit cards, deposit services charges, and servicing/subservicing	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	Sale of Non-Operating Assets (Other Real Estate Owned) This implementation issue provides considerations for depository institutions in applying the guidance in ASC 606 to sales of other real estate owned.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Gaming Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Definitions: The terms "Win" and Gross Gaming Revenue</p> <p>This implementation issue discusses considerations for gaming entities in applying ASC 606 and determining how to recognize and report revenue or losses from gaming transactions.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Net Gaming Revenue</p> <p>This implementation issue considers the effect of cash sales incentives, changes in jackpot liabilities, and revenue from gaming related activities on net gaming revenue, as that term has been eliminated under the new standard.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Promotional Allowances</p> <p>This implementation issue addresses the elimination of historical presentations within gross revenues on the income statement for free goods and services provided to customers (such as hotel revenues, food and beverage revenues and other integrated gaming resort revenues) wherein such reported revenue sources were presented on a grossed-up basis for the retail value of the free goods and services provided and included in a total gross revenues balance for the reporting period. The presentation of gross revenues was reduced with an offsetting contra-revenue amount for the total retail value of such "promotional allowances" or "complimentaries".</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Accounting for base and incremental progressive jackpots amounts</p> <p>This implementation issue addresses a gaming operator's accounting for base progressive and incremental progressive jackpot amounts, including accrual of the incremental progressive amount.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Wide Area Progressive operators' accounting for base progressive and incremental progressive jackpots amounts</p> <p>This implementation issue will discuss the accounting for a WAP operator current for when to record the liability for base progressive and incremental progressive jackpot amounts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Wide Area Progressive operators' fees received from gaming entities</p> <p>This implementation issue will discuss the accounting for fees paid to a WAP Operator by a Gaming Entity.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Participation and Similar Arrangements</p> <p>This implementation issue will discuss the accounting for fees paid in a participation or similar arrangement under FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8a	<p>Loyalty and Other Incentive Programs without Tier Status</p> <p>This implementation issue will discuss the accounting for loyalty credits and other discretionary incentives issued in conjunction with gaming activity.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8b	<p>Loyalty Tier Status</p> <p>This implementation issue will discuss a framework for the assessment of whether "Tier Status" in an affinity program conveys a material right to goods and services and therefore gives rise to a separate performance obligation. This issue was developed jointly with the Airlines and Hospitality Task Forces.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8c	<p>Loyalty Co-Branding Arrangements</p>	Finalized - included in the

	This implementation issue will discuss how the guidance in FASB ASC 606 should be applied to an arrangement between a third-party credit card issuer and a gaming entity (commonly called a Co-branded credit card arrangement).	AICPA Guide <i>Revenue Recognition</i>
8d	Accounting for Loyalty Points This implementation issue will discuss how to account for loyalty points redeemed with third parties.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
9A	Managing Properties for Third Parties This implementation issue will discuss how a gaming entity should recognize revenue for managing a gaming property owned by a third party, and how to recognize costs of obtaining an agreement to manage a gaming property owned by a third party (the Managed Property).	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
9B	Gaming Entity's Accounting for Costs Reimbursed This implementation issue will discuss the accounting for fees received and costs incurred related to agreements to manage properties for third parties, including costs reimbursed by the managed property.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
10	Accounting for Jackpot Insurance Premiums and Recoveries This implementation issue addresses how a gaming entity should account for insurance premiums and recoveries associated with jackpot insurance obtained to reduce the risk of large cash outflows in a particular time period.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
11	Accounting for Gaming Chips and Tokens This implementation issue will discuss how gaming chips or tokens associated with breakage, or that remain unredeemed when such chips or tokens are permanently discontinued, should be reported.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
12	Accounting for Racetrack Fees This implementation issue will discuss the financial statement accounting and presentation of racetrack fees, such as pari-mutuel racetrack wagers and off-track betting.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
13	Disclosures This implementation issue will discuss considerations related to gaming entity specific disclosures under FASB ASC 606.	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Health Care Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Application of step 1 (determine if there is a contract) and step 3 (determine the transaction price) for healthcare services provided to self-pay patients, including uninsured patient balances and self-pay patient balances arising from co-payments and deductibles.</p> <p>This implementation issue will discuss evaluating whether a contract exists and what is the transaction price (including consideration of implicit price concessions) To arrangements for health care services provided to self-pay patients and balances arising from co-payments and deductibles.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Application of the portfolio approach to contracts with patients</p> <p>This implementation issue will discuss how to apply the portfolio approach to revenue from self-pay patients and third-party payors.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Application of FASB ASC 606 to Continuing Care Retirement Community Contracts (CCRC).</p> <p>This implementation issue will discuss the performance obligations under a typical Type A (life care) CCRC resident agreement and, considerations for estimating the transaction price (including whether a significant financing component exists), and recognition of the nonrefundable entrance fees and monthly/periodic fees received from residents under FASB ASC 606. The issue will also describe changes to a CCRC's calculation of the obligation to provide future services and use of facilities as a result of FASB ASC 606.</p> <p>Issues #4 and #5 have been combined into #3.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Disclosure requirements of ASU No. 2014-09</p> <p>This implementation issue will discuss judgements related to disclosure requirements under ASC 606 for health care entities.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Accounting for contract costs</p> <p>This implementation issue will discuss how health care organizations will account for certain costs of acquiring and fulfilling contracts under the new model.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Third Party Settlements</p> <p>This implementation issue will discuss considerations for accounting for third party settlement estimates under FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
9	<p>Bundled Payments</p> <p>This implementation issue will discuss considerations for applying FASB ASC 606 to bundled payments received by healthcare providers.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
10	<p>Performance Obligations</p> <p>This implementation issue will discuss how health care organizations (other than CCRCs) need to identify the promised goods or services in a contract with a patient and determine which of them represent separate performance obligations.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Hospitality Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Franchise Revenue Arrangements</p> <p>This implementation issue will discuss accounting for initial franchise fees; multiple element considerations; accounting for marketing funds, income statement classification considerations for different revenue streams</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Managed Hotels</p> <p>This implementation issue will discuss accounting for incentive fees; gross/net considerations (specifically reimbursable for payroll and other); and guarantees related to managed hotels</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Leased Hotels and Owned Hotels</p> <p>This issue will discuss accounting for leased hotels and owned hotels, and multiple element considerations</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Contract Costs</p> <p>This implementation issue will discuss the accounting for contract costs including; incentives to owners including key money; development notes; and development costs.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Insurance Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Considerations for applying the scope exception in FASB ASC 606-10-15-2 to contracts within the scope of ASC 944</p> <p>This implementation issue addresses how to apply the scope exception in FASB ASC 606-10-15-2 and 15-4 to contracts within the scope of ASC 944.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Accounting for third party extended service warranty contracts within the scope of ASC 606.</p> <p>This implementation issue will discuss considerations for non-insurance entities accounting for third party extended service warranty contracts within the scope of FASB ASC 606, and changes to the guidance that was applicable under FASB ASC 605-20.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Not-for-Profit Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
2	<p>Tuition and Housing Revenue</p> <p>Tuition and housing revenue for not for profit higher education institutions. This implementation issue will discuss considerations needed to determine the transaction price and when to recognize revenue for tuition and housing.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Contributions</p> <p>A technical clarification was submitted to FASB Staff, recommending that the FASB clarify the application of FASB ASC 606 by adding language in FASB ASC 606-10-15 that specifically excludes contributions from the scope of FASB ASC 606. TRG agenda reference #34: March 2015 Meeting – Summary of Issues Discussed and Next Steps Paragraph 40: TRG members discussed whether contributions are in the scope of the new revenue recognition standard. TRG members agreed with the staff view that contributions are not in the scope of the new standard and that the standard includes adequate guidance to come to this conclusion.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	Grants	Referred to FASB
5	<p>Subscriptions and Membership Dues</p> <p>This implementation issue will discuss how NFP organizations should account for Membership Dues, Life-time Membership Dues, Subscription Revenue and Life-time Subscriptions.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Bifurcation of Transactions Between Contribution and Exchange Components</p> <p>This implementation issue will address the fact that amendments from ASU 2014-09 do not affect the method for a not-for-profit entity to bifurcate transactions received that are in part a contribution and in part an exchange transaction. Examples of transactions that may be in part a contribution and in part an exchange transaction include membership dues, bargain purchases, certain grants, naming opportunities, and donor status transactions.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Entities with Oil and Gas Producing Activities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Revenue recognition of sales of oil and gas This implementation issue discusses revenue recognition of sales of oil and gas under FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Inventories This implementation issue discusses revenue recognition of purchases and sales of oil and gas with the same counterparty.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Collaborative Arrangements and Joint Operating Agreements This implementation issue discusses revenue recognition for collaborative arrangements and joint operating agreements.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Derivative Commodity Contracts This paper addresses revenue recognition of sales of oil and gas under derivative contracts designated as normal sales and normal purchases.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Disclosures This implementation issues discussed disclosures required under FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Power and Utility Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Scope clarification regarding tariff sales to regulated customers</p> <p>This implementation issue discusses whether revenues from sales under a regulated utility's tariff (other than revenues from alternative revenue programs specifically excluded from the scope of Topic 606) are within the scope of Topic 606</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Accounting for contracts with price and/or volume variability</p> <p>This will be a broad issue encompassing different aspects of variability effecting contract consideration. It will include strip, step and index pricing as well as considerations around the revenue constraint discussed in Topic 606</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Strip vs step price arrangements</p> <p>This implementation issue addresses strip (constant fixed price per unit delivered) and step (increasing fixed price per unit delivered) pricing conventions applied to the same seller performance (delivery of a fixed quantity of commodity units consecutively over a multi-year term).</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Application of series guidance to storable commodities</p> <p>This implementation issue discusses considerations for applying the series guidance described in ASC 606-10-25-14 and 25-15 to sales involving commodities other than electricity.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Accounting for contract modifications</p> <p>This implementation issue discusses blend-and-extend modifications (whether they include a financing element), as well as treatment of partial terminations.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Partial terminations</p> <p>This implementation issues discusses the accounting for partial terminations where an entity has entered into a contract with a customer for a performance obligation satisfied over time, and later agrees with the customer to terminate only a discrete unsatisfied portion of that contract</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Accounting for bundled arrangements</p> <p>This implementation issue focuses on identifying the performance obligations within a bundled sale contract, and if performance obligations accounted for as a series will be eligible for the Invoice Practical Expedient</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Revenue timing for RECs</p> <p>This implementation issue focuses on identifying the performance obligations within a bundled sale contract containing RECs</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
9	<p>Contributions in aid of construction</p> <p>This implementation issue discusses how a regulated utility should account for Contributions in Aid of Construction (CIAC).</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
12	<p>Income statement display of alternative revenue programs</p> <p>This implementation issue discusses approaches for the presentation of revenues from alternative revenue programs under FASB ASC 980 and ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Software Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Determining whether a license in a hosting, SaaS and hybrid-cloud arrangements are distinct from other goods and services in the arrangement</p> <p>This implementation issue discusses considerations in determining when software intellectual property (“IP”) is considered highly interdependent or interrelated with other services in an arrangement, and hence not considered distinct within the context of the contract.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Identification and satisfaction of performance obligations</p> <p>This implementation issue discusses considerations in determining whether components of PCS, as well as licenses, are separate performance obligations when applying the guidance in FASB ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Accounting for a customer’s option to purchase or use additional copies of software</p> <p>This implementation issue addresses considerations for determining whether a customer’s right to acquire additional users/copies of a delivered software product constitute an option to acquire additional software rights or variable consideration related to software rights already purchased.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4a	<p>Defining and Identifying Potential Price Concessions</p> <p>This implementation issue discusses sources of information a vendor may use to evaluate, identify and estimate the value of implied price concessions; how the portfolio approach may be used in this estimation; and how contracts with extended payment terms impact this estimation.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4b	<p>Estimating the Standalone Selling Price of Options that are Determined to be Performance Obligations</p> <p>This implementation issue provides illustrative examples of the methods in ASC 606-10-55-44 and 55-45 to account for options within an arrangement that are determined to be performance obligations because they provide a material right to the customer.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Determine the transaction price: use of the residual method</p> <p>This implementation issue will address when it is appropriate to use the residual approach in estimating standalone selling price of a software license</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Determine the transaction price: assessing significance of financing component</p> <p>This implementation issue will discuss how Software companies should assess whether a significant financing component exists in determining the transaction price.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Transfer of control of a software license</p> <p>This implementation issue discusses factors that should be considered to determine when control transfers from a seller to a buyer for a software license that a vendor has determined to be distinct</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
11	<p>Estimating standalone selling price including the use of a range to evidence SSP</p> <p>This implementation issue addresses certain considerations in estimating the standalone selling price (SSP) for distinct performance obligations (PO’s) in software arrangements</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

Telecommunications Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Accounting for individual contracts with customers versus Portfolio accounting This implementation issue discusses considerations for telecommunication entities in determining when it is appropriate to apply ASC 606 on a portfolio or individual contract level.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Identification of separate performance obligations in the contract This implementation issue will discuss considerations for telecommunication and cable industry providers in determining which promises in an agreement represent performance obligations under ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
3	<p>Accounting for contract modifications This implementation issue discusses considerations for identifying distinct goods and services and accounting for contract modifications within telecommunication contracts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
4	<p>Accounting for contract costs (costs of obtaining a contract) This implementation issue discusses the costs to obtain and fulfill contracts, including eligibility for deferral of such costs. Subsequent measurement (amortization and impairment) of deferred costs is also discussed.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Considering the effect of the time value of money This implementation issue discusses how time value of money may impact the accounting for customer contracts in the telecommunication industry when there is a significant benefit of financing. In addition, financial statement presentation of the effects of financing will be discussed.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Determining whether a contract exists This implementation issue discusses considerations for telecommunication entities in applying the guidance of ASC 606 when evaluating the impact of present enforceable rights and obligations on the contract term.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
7	<p>Considering month-to-month contracts entered into with installment sales plus material rights This implementation issue discusses consideration for telecommunication entities determining the contract duration of a month-to-month service contract when the customer also purchases equipment under an equipment installment plan (EIP).</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Step 3: Determine the transaction price This implementation issue will discuss considerations for telecommunication and cable industries to use in determining the transaction price of contracts under ASC 606, including evaluating the existence of variable consideration, significant financing components, noncash consideration, and consideration payable to the customer within telecommunications contracts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
9	<p>Step 4: Allocating the transaction price This implementation issue will discuss what are appropriate methods for telecommunication companies to use when determining standalone selling price.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
10	<p>Miscellaneous revenue This implementation issue will discuss considerations for determining if miscellaneous receipts for providers meet the definition of a contract with a customer and in the scope of ASC 606.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

11	<p>Indirect channel sales This implementation issues will discuss accounting considerations for the indirect sales channel, including principal vs. agent.</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>
12	<p>Disclosure & Transitional Issues This implementation issue will discuss required disclosures and transition to FASB ASC 606.</p>	<p>Finalized - included in the AICPA Guide <i>Revenue Recognition</i></p>

Timeshare Entities Revenue Recognition Task Force

	Implementation Issue and Summary	Status
1	<p>Collectability</p> <p>This implementation issues discusses considerations for identifying performance obligations within time-share sales contracts.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
2	<p>Identify the Performance Obligations</p> <p>This implementation discusses considerations for evaluating collectibility of sales of time-sharing interests, including determining whether collection of the transaction price is probable at contract inception and identifying and accounting for amounts as variable consideration in determining collectibility of the transaction price.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
5	<p>Gross versus Net Reporting: Fee for Service/Club/Incentives</p> <p>This implementation issue discusses considerations for applying principal versus agent guidance in ASC 606 to time-share interval sales</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
6	<p>Management Fee Agreements</p> <p>This implementation issue will discuss accounting for management fee agreements, including gross versus net reporting for cost reimbursements</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
8	<p>Satisfaction of Performance Obligations</p> <p>This implementation issue relates to the assessment of when a time-share entity satisfies its performance obligation by transferring a promised good or service to a customer.</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>
10	<p>Contract Costs</p> <p>This implementation issue discusses the accounting treatment for costs incurred to obtain a contract with a customer (for the sale of time-share interests), costs incurred in fulfilling such obligations and the amortization of costs meeting the requirements for capitalization</p>	Finalized - included in the AICPA Guide <i>Revenue Recognition</i>

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