

# Revenue Recognition migration to Subscription billing

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## TechTalk Series

- *Session 1 – July 27-28, 2022 – Subscription Billing Overview*
- *Session 2 – September 7, 2022 – Billing Schedules and Invoicing*
- *Session 3 – December 13, 2022 – Deferrals and Allocations*
- *Session 4 – August 10, 2023 – Subscription billing and deferral schedules with Project management & accounting*
- Session 5 – September 7, 2023 – Moving from Revenue Recognition to Subscription Billing ←

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# Agenda

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- RevRec and SubBilling parameter mapping
  - RevRec and SubBilling entity mapping
  - Examples
  - Demo
  - Roadmap
  - Q&A

# Configuration mapping between Subscription billing and Revenue Recognition

Revenue Recognition	Subscription billing	Notes
Recognition basis	Deferral template with Period frequency	In RevRec – Monthly by days, Monthly, Occurrences, or Fiscal period by days In SubBilling – Daily, Monthly, Fiscal periods
	Equal amounts per period	Parameter that will either pro-rate the amount by the number of days in a month or not
Occurrences	Period length	Number of period is specified frequency
Automatic hold		Marking <b>Automatic hold</b> will automatically put all revenue schedule lines on hold when the invoice is posted. Deferral schedules can be placed on hold individually, but do not have an option to be created in an on hold state.
Automatic contract terms		Post contract support (PCS) items will have the contract start date set to the sales order line's requested ship date. The end date will be calculated based on the number of months or occurrences on the revenue schedule. A deferral template will set the deferral start date and deferral end date based on the template definition along with the <b>Default deferral start date</b> .

# Recognition convention scenarios

The **Recognition convention** in Revenue recognition determines the dates that are set on the revenue schedule for the invoice. In Subscription Billing Revenue and expense deferrals, the deferral start date is determined based on the Revenue and expense deferral parameter **Default deferral start date**.

Revenue recognition convention	Revenue and expense deferrals Default deferral start date
Actual start date	Transaction date
1 <sup>st</sup> day of month/period	Beginning of current month
Mid month split	Rule of 15
1 <sup>st</sup> date of next month/period	Beginning of next month
End of month/period	*Override deferral start date on transaction

# Revenue Recognition

Revenue schedules

Standard view

Overview

	Revenue s...	Description	Occurrences	Automatic hold	Automatic con...	Recognition basis	Recognition convention
<input checked="" type="checkbox"/>	10M	10 months	10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
	18M	18 months	18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
	1O	1 occurrence	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly by days	1st day of month/period
	24M	24 months	24	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Mid-month split
	Fiscal	Fiscal periods	12	<input type="checkbox"/>	<input type="checkbox"/>	Fiscal period by days	1st day of next month/period
							End of month/period

# Subscription Billing

Standard view

Revenue and expense deferral parameters

General

Set up revenue and expense deferrals

SCHEDULE

Equal amounts per period

☒ Yes

Sales discount deferral option

Separate schedule for disco...

Purchasing discount deferral opti...

Separate schedule for disco...

Consolidate prior periods:

☐ No

Default deferral start date

Transaction date

Transaction date

Beginning of current month

Beginning of next month

Rule of 15

Short-term deferral method

Rolling periods

Deferral posting method

☒ Balance sheet

☐ Profit and loss

Reverse profit and loss on credit

☒ Yes

RECOGNITION

Automatically post general jour...

☒ Yes

Summarize recognition journal

☐ No

Default journal name

GenJrn

Recognition journal line descripti...

Originating transaction det...

# Entity mapping

Deferred line (RevRecDeferredLineEntity)	Subscription billing deferral table (SubBillDeferralScheduleTableEntity)	Notes
	Deferral schedule number	Specify the number, or copy the sales order number, which was the revenue schedule number in Revenue recognition. Note that each Deferral schedule will need a unique Schedule number and Item number combination.
	Schedule type	Straight line or event-based.
Revenue schedule description	Description	
Deferred revenue account	Deferral account	The value must match the dimension structure for integrating applications. Empty dimensions must be shown with a delimiter.
RevAccount	Recognition Account	The value must match the dimension structure for integrating applications. Empty dimensions must be shown with a delimiter.
	Recognition type	Credit for revenue schedules and debit for consumption.
Date of invoice	Date	
	Start date	The deferral start date.
	End date	The deferral end date.

# Example 1: One year deferral with equal amounts per month, starting on the date of the invoice

## Revenue recognition

Revenue schedule in revenue recognition with Occurrences = 12, Recognition basis = Monthly, Recognition convention = Actual start date. Sales order amount = 1500.

Revenue schedules

Standard view

Overview

	Revenue...	Description	Occurrences	Automatic hold	Automatic contract terms	Recognition basis	Recognition convention
<input checked="" type="checkbox"/>	12M	12 months	12	<input type="checkbox"/>	<input type="checkbox"/>	Monthly	Actual start date
<input type="checkbox"/>	10M	10 months	10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
<input type="checkbox"/>	18M	18 months	18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
<input type="checkbox"/>	1O	1 occurrence	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly by days	Actual start date
<input type="checkbox"/>	24M	24 months	24	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date

Revenue schedule details | 12M : 12 MONTHS

Standard view

Overview

	Period	Recognize ...	Remaining...	Accumulat...
<input type="checkbox"/>	1	8.33	91.67	8.33
<input type="checkbox"/>	2	8.33	83.34	16.66
<input type="checkbox"/>	3	8.33	75.01	24.99
<input type="checkbox"/>	4	8.33	66.68	33.32
<input type="checkbox"/>	5	8.33	58.35	41.65
<input type="checkbox"/>	6	8.33	50.02	49.98
<input type="checkbox"/>	7	8.33	41.69	58.31
<input type="checkbox"/>	8	8.33	33.36	66.64
<input type="checkbox"/>	9	8.33	25.03	74.97
<input type="checkbox"/>	10	8.33	16.70	83.30
<input type="checkbox"/>	11	8.33	8.37	91.63
<input type="checkbox"/>	12	8.37	0.00	100.00



Revenue recognition schedule showing monthly recognition of 124.95, with exception being the final period for 125.55.

000861 : OWL WHOLESALES | Standard view

## Revenue recognition schedule

Overview

From date

To date

Customer account

Sales order

000861

Project ID

Show

All

<input type="radio"/>	<input type="radio"/>	Processed	On hold	Voucher	Invoice	Invoice date	Item number	Item name	Amount in...	Transactio...	Amount in...	Amount in...	Revenue schedule	Recognize date	Total recog...	Recognize ...	Amount to rel...	Remaining...	Quantity t...	Recognize ...	Remaining...	Total qui ...
<input type="radio"/>	<input type="checkbox"/>		<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	2/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	3/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	4/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	5/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	6/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	7/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	8/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	9/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	10/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	11/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	12/1/2023	124.95	8.33	124.95	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		CIV-0000...	2/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	12M	1/1/2024	125.55	8.37	125.55	0.00	0.00	0.00	0.00	0.00

# Example 1: One year deferral with equal amounts per month, starting on the date of the invoice

## Subscription Billing Revenue and expense deferrals

Deferral template with Period frequency = Monthly. Lines set up with Type = Recognized, Period length = 12. With Revenue and expense deferrals there is a parameter that will either pro-rate the amount by the number of days in a month or not. This parameter is called "Equal amounts per period." In this example, the deferral schedule was created with Equal amounts per period = Yes.

Standard view

Deferral templates

Template

12 Month

Description

12 Month

Period frequency

Monthly

Lines

+ Add

+ Append

Delete

	Type	Period len...
<input checked="" type="radio"/>	Recognized	12

Standard view

Revenue and expense deferral parameters

General

Set up revenue and expense deferrals

Number sequences

SCHEDULE

Equal amounts per period

☒ Yes

Sales discount deferral option

Merge discount with revenue

Purchasing discount deferral opti...

Merge discount with revenue

Consolidate prior periods

☐ No

Default deferral start date

Transaction date

Short-term deferral method

Fixed year

Deferral posting method

☒ Balance sheet

☐ Profit and loss

Reverse profit and loss on credit

☐ Yes

☒ No

RECOGNITION

Automatically post general jour...

☒ Yes

Summarize recognition journal

☒ Yes

Default journal name

GenJrn

Recognition journal line descrip...

Originating transaction details

# Deferral schedule showing monthly amount of 125.00.

All deferral schedules | Standard view

USMF-000000031 : Sales order

Schedule header

SCHEDULE

Deferral schedule number

USMF-000000031

Schedule status

Active

Schedule type

Straight line

Description

Account number

US-009

ACCOUNT

Deferral account

250600-001-

Short-term deferral account

Recognition account

401100-001---

Recognition type

Credit

Distribution type

Revenue

TRANSACTION

Creation source

Standard transaction

Transaction type

Sales order

Sales order

001035

Number

CIV-00000732

Item

S0001

EXTERNAL REFERENCES

External

Line number

TOTALS

Long-term deferred

1,500.00

Short-term deferred

0.00

Unrecognized

1,500.00

Stubbed

0.00

Recognized

0.00

Stubbed and recognized

0.00

Total amount

1,500.00

Schedule lines

Recognize

Reverse

	Line	Deferral start date	Deferral end date	Amount	Stubbed	Recognized	Recognition date	Journal batch num...	Voucher
<input checked="" type="radio"/>	1	2/1/2023	2/28/2023	125.00					
<input type="radio"/>	2	3/1/2023	3/31/2023	125.00					
<input type="radio"/>	3	4/1/2023	4/30/2023	125.00					
<input type="radio"/>	4	5/1/2023	5/31/2023	125.00					
<input type="radio"/>	5	6/1/2023	6/30/2023	125.00					
<input type="radio"/>	6	7/1/2023	7/31/2023	125.00					
<input type="radio"/>	7	8/1/2023	8/31/2023	125.00					
<input type="radio"/>	8	9/1/2023	9/30/2023	125.00					
<input type="radio"/>	9	10/1/2023	10/31/2023	125.00					
<input type="radio"/>	10	11/1/2023	11/30/2023	125.00					
<input type="radio"/>	11	12/1/2023	12/31/2023	125.00					
<input type="radio"/>	12	1/1/2024	1/31/2024	125.00					

# Example 2: One year deferral with amounts based on number of days per month, starting on the date of the invoice

## Revenue recognition

Revenue schedule in revenue recognition with Occurrences = 12, Recognition basis = Monthly by days, Recognition convention = Actual start date. Sales order amount = 1500.

Revenue schedules

Standard view

Overview

	Revenue	Description	Occurrences	Automatic hold	Automatic contract terms	Recognition basis	Recognition convention
	10M	10 months	10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
	12D	12 months by day	12	<input type="checkbox"/>	<input type="checkbox"/>	Monthly by days	Actual start date
	12M	12 months	12	<input type="checkbox"/>	<input type="checkbox"/>	Monthly	Actual start date
	18M	18 months	18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
	1O	1 occurrence	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly by days	Actual start date
	24M	24 months	24	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date

Revenue schedule details | 12D : 12 MONTHS BY DAY

Standard view

Overview

	Period	Recognize ...	Remaining...	Accumulat...
	1	8.33	91.67	8.33
	2	8.33	83.34	16.66
	3	8.33	75.01	24.99
	4	8.33	66.68	33.32
	5	8.33	58.35	41.65
	6	8.33	50.02	49.98
	7	8.33	41.69	58.31
	8	8.33	33.36	66.64
	9	8.33	25.03	74.97
	10	8.33	16.70	83.30
	11	8.33	8.37	91.63
	12	8.37	0.00	100.00

Revenue recognition schedule showing monthly recognition based on the number of days per month.

000862 : OWL WHOLESALAS | Standard view

Revenue recognition schedule

Overview

From date

To date

Customer account

Sales order

Project ID

Show

<input type="radio"/>	<input type="radio"/>	Processed	On hold	Voucher	Invoice	Invoice date	Item number	Item name	Amount in...	Transaction...	Amount in...	Amount in...	Revenue schedule	Recognize date	Total recog...	Recognize ...	Amount to rel...	Remaining...	Quantity L...	Recognize ...	Remaining...	Total qu...
<input checked="" type="radio"/>	<input type="checkbox"/>		<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	2/1/2023	115.07	7.67	115.07	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	3/1/2023	127.40	8.49	127.40	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	4/1/2023	123.29	8.22	123.29	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	5/1/2023	127.40	8.49	127.40	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	6/1/2023	123.29	8.22	123.29	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	7/1/2023	127.40	8.49	127.40	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	8/1/2023	127.40	8.49	127.40	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	9/1/2023	123.29	8.22	123.29	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	10/1/2023	127.40	8.49	127.40	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	11/1/2023	123.29	8.22	123.29	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	12/1/2023	127.40	8.49	127.40	0.00	0.00	0.00	0.00	0.00
			<input type="checkbox"/>		INV-0000...	2/1/2023	50001	Installation services	1,500.00	USD	1,500.00	1,500.00	12D	1/1/2024	127.37	8.49	127.37	0.00	0.00	0.00	0.00	0.00

# Example 2: One year deferral with amounts based on number of days per month, starting on the date of the invoice

## Subscription Billing Revenue and expense deferrals

Deferral template with Period frequency = Monthly. Lines set up with Type = Recognized, Period length = 12. With Revenue and expense deferrals there is a parameter that will either pro-rate the amount by the number of days in a month or not. This parameter is called "Equal amounts per period." In this example, the deferral schedule was created with Equal amounts per period = No which allows us to pro-rate by day.

Standard view ▾

### Deferral templates

Template	Description	Period frequency
12 Month	12 Month	Monthly ▾

Lines

+ Add + Append 🗑 Delete

	Type	Period len...
<input type="radio"/>	Recognized ▾	12

Standard view ▾

### Revenue and expense deferral parameters

General

Number sequences

#### Set up revenue and expense deferrals

<b>SCHEDULE</b>	Purchasing discount deferral opti...	Default deferral start date	Deferral posting method
Equal amounts per period	Merge discount with revenue ▾	Transaction date ▾	<input checked="" type="radio"/> Balance sheet
<input checked="" type="radio"/> No		Short-term deferral method	<input type="radio"/> Profit and loss
Sales discount deferral option	Consolidate prior periods	Fixed year ▾	
Merge discount with revenue ▾	<input checked="" type="radio"/> No		

Reverse profit and loss on credit	<input type="radio"/> Yes
Interrupt in case of incomplete d...	<input checked="" type="radio"/> No

#### RECOGNITION

Automatically post general journ...

☒ Yes

Summarize recognition journal

☐ No


Default journal name

Gen/Jm ▾

Recognition journal line descripti...

Originating transaction det... ▾

Deferral schedule showing monthly amounts based on number of days in the month.

[All deferral schedules](#) | [Standard view](#) 

**USMF-000000031 : Sales order**

**Schedule header**

**SCHEDULE**  
Deferral schedule number  
USMF-000000031  
Schedule status  
Active  
Schedule type  
Straight line

**Description**  
  
Account number  
US-009  
  
**ACCOUNT**  
Deferral account  
250600-001-

**Short-term deferral account**  
  
Recognition account  
401100-001---  
Recognition type  
Credit  
Distribution type  
Revenue

**TRANSACTION**  
Creation source  
Standard transaction  
Transaction type  
Sales order  
Sales order  
001035

**Number**  
  
Item  
S0001  
  
**EXTERNAL REFERENCES**  
External  
  
Line number

**TOTALS**  
Long-term deferred  
1,500.00  
Short-term deferred  
0.00  
Unrecognized  
1,500.00

**Stubbed**  
0.00  
Recognized  
0.00  
Stubbed and recognized  
0.00  
Total amount  
1,500.00

**Schedule lines**

[Recognize](#) [Reverse](#)

<input type="radio"/>	Line	Deferral start date	Deferral end date	Amount	Stubbed	Recognized	Recognition date	Journal batch num...	Voucher
<input type="radio"/>	1	2/1/2023	2/28/2023	115.07					
	2	3/1/2023	3/31/2023	127.40					
	3	4/1/2023	4/30/2023	123.29					
<input type="radio"/>	4	5/1/2023	5/31/2023	127.40					
	5	6/1/2023	6/30/2023	123.29					
	6	7/1/2023	7/31/2023	127.40					
	7	8/1/2023	8/31/2023	127.40					
	8	9/1/2023	9/30/2023	123.29					
	9	10/1/2023	10/31/2023	127.40					
	10	11/1/2023	11/30/2023	123.29					
	11	12/1/2023	12/31/2023	127.40					
	12	1/1/2024	1/31/2024	127.37					

# Example 3: One year deferral with amounts per occurrence (12) starting on the date of the invoice

## Revenue recognition

Revenue schedule in revenue recognition with Occurrences = 12, Recognition basis = Occurrences, Recognition convention = Actual start date. Sales order amount = 1500

Revenue schedules

Standard view ▾

Overview

	Revenue...	Description	Occurrences	Automatic ...	Automatic ...	Recognition basis	Recognition convention
<input checked="" type="radio"/>	Occur	Occurrences	12	<input type="checkbox"/>	<input type="checkbox"/>	Occurrences ▾	Actual start date ▾
	10M	10 months	10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
	18M	18 months	18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
	10	1 occurrence	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly by days	Actual start date
	24M	24 months	24	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date

Revenue schedule details | OCCUR : OCCURRENCES

Standard view ▾

Overview

Period	Recognize ...	Remaining...	Accumulat...
1	8.33	91.67	8.33
2	8.33	83.34	16.66
3	8.33	75.01	24.99
4	8.33	66.68	33.32
5	8.33	58.35	41.65
6	8.33	50.02	49.98
7	8.33	41.69	58.31
8	8.33	33.36	66.64
9	8.33	25.03	74.97
10	8.33	16.70	83.30
11	8.33	8.37	91.63
<input checked="" type="radio"/> 12	8.37	0.00	100.00



Revenue recognition schedule showing monthly recognition of 125.00.

000895 : OWL WHOLESALERS | Standard view

### Revenue recognition schedule

Overview

From date: To date: Customer account: Sales order: Project ID: Show: All

	Processed	On hold	Voucher	Invoice	Invoice date	Item number	Item name	Amount in...	Transaction...	Amount in...	Amount in...	Revenue schedule	Recognize date	Total recog...	Recognize ...	Amount to...	Remaining...	Quantity t...	Recognize ...	Remaining...	Total quan...
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	2/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	3/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	4/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	5/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	6/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	7/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	8/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	9/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	10/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	11/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	12/9/2023	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00
		<input type="checkbox"/>		INV-0000...	2/9/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Occur	1/9/2024	125.00	8.33	125.00	0.00	0.00	0.00	0.00	0.00

# Example 3: One year deferral with amounts per occurrence (12) starting on the date of the invoice

## Subscription Billing Revenue and expense deferrals

Deferral template with Period frequency = Monthly. Lines set up with Type = Recognized, Period length = 12. With Revenue and expense deferrals there is a parameter that will either pro-rate the amount by the number of days in a month or not. This parameter is called "Equal amounts per period." In this example, the deferral schedule was created with Equal amounts per period = Yes.

Standard view ▾

Deferral templates

Template	Description	Period frequency
12 Month	12 Month	Monthly ▾

Lines

+ Add + Append [Delete]

Type	Period len...
Recognized ▾	12

Standard view ▾

Revenue and expense deferral parameters

General

Set up revenue and expense deferrals

SCHEDULE

Equal amounts per period

Yes

Purchasing discount deferral option

Merge discount with revenue ▾

Consolidate prior periods

No

Sales discount deferral option

Merge discount with revenue ▾

Default deferral start date

Transaction date ▾

Short-term deferral method

Fixed year ▾

Deferral posting method

Balance sheet

Profit and loss

Reverse profit and loss on credit

Yes

Interrupt in case of incomplete d...

No

RECOGNITION

Automatically post general jour...

Yes

Summarize recognition journal

No


Default journal name

GenJrn ▾

Recognition journal line descri...

Originating transaction det... ▾

Deferral schedule showing monthly amount of 125.00.

[All deferral schedules](#) | [Standard view](#) 

### USMF-000000031 : Sales order

Schedule header

**SCHEDULE**

Deferral schedule number

USMF-000000031

Schedule status

Active

Schedule type

Straight line

Description

Account number

US-009

**ACCOUNT**

Deferral account

250600-001-

Short-term deferral account

Recognition account

401100-001---

Recognition type

Credit

Distribution type

Revenue

**TRANSACTION**

Creation source

Standard transaction

Transaction type

Sales order

Sales order

001035

Number

CIV-00000732

Item

S0001

**EXTERNAL REFERENCES**

External

Line number

**TOTALS**

Long-term deferred

1,500.00

Short-term deferred

0.00

Unrecognized

1,500.00

Stubbed

0.00

Recognized

0.00

Stubbed and recognized

0.00

Total amount

1,500.00

Schedule lines

Recognize

Reverse

<input type="radio"/>	Line	Deferral start date	Deferral end date	Amount	Stubbed	Recognized	Recognition date	Journal batch num...	Voucher
<input checked="" type="radio"/>	1	2/1/2023	2/28/2023	125.00					
<input type="radio"/>	2	3/1/2023	3/31/2023	125.00					
<input type="radio"/>	3	4/1/2023	4/30/2023	125.00					
<input type="radio"/>	4	5/1/2023	5/31/2023	125.00					
<input type="radio"/>	5	6/1/2023	6/30/2023	125.00					
<input type="radio"/>	6	7/1/2023	7/31/2023	125.00					
<input type="radio"/>	7	8/1/2023	8/31/2023	125.00					
<input type="radio"/>	8	9/1/2023	9/30/2023	125.00					
<input type="radio"/>	9	10/1/2023	10/31/2023	125.00					
<input type="radio"/>	10	11/1/2023	11/30/2023	125.00					
<input type="radio"/>	11	12/1/2023	12/31/2023	125.00					
<input type="radio"/>	12	1/1/2024	1/31/2024	125.00					

# Example 4: One year deferral with monthly amounts based on fiscal period starting on the date of the invoice

## Revenue recognition

Revenue schedule in revenue recognition with Occurrences = 12, Recognition basis = Fiscal period by days, Recognition convention = Actual start date. Sales order amount = 1500

Revenue schedules

Standard view

Overview

	Revenue	Description	Occurrences	Automatic	Automatic	Recognition basis	Recognition convention
<input checked="" type="radio"/>	Fiscal	Fiscal periods	12	<input type="checkbox"/>	<input type="checkbox"/>	Fiscal period by days	Actual start date
<input type="radio"/>	10M	10 months	10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
<input type="radio"/>	18M	18 months	18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
<input type="radio"/>	1O	1 occurrence	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly by days	Actual start date
<input type="radio"/>	24M	24 months	24	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly by days	Actual start date
<input type="radio"/>	Occur	Occurrences	12	<input type="checkbox"/>	<input type="checkbox"/>	Occurrences	Actual start date

Revenue schedule details | FISCAL : FISCAL PERIODS

Standard view

Overview

	Period	Recognize	Remaining	Accumulat
<input type="radio"/>	1	8.33	91.67	8.33
<input type="radio"/>	2	8.33	83.34	16.66
<input type="radio"/>	3	8.33	75.01	24.99
<input type="radio"/>	4	8.33	66.68	33.32
<input type="radio"/>	5	8.33	58.35	41.65
<input type="radio"/>	6	8.33	50.02	49.98
<input type="radio"/>	7	8.33	41.69	58.31
<input type="radio"/>	8	8.33	33.36	66.64
<input type="radio"/>	9	8.33	25.03	74.97
<input type="radio"/>	10	8.33	16.70	83.30
<input type="radio"/>	11	8.33	8.37	91.63
<input checked="" type="radio"/>	12	8.37	0.00	100.00

Revenue recognition amounts will vary by period due to the number of days in each month being different.

000861 : OWL WHOLESALERS | Standard view

### Revenue recognition schedule

Overview

From date: To date: Customer account: Sales order: Project ID: Show: All

	Processed	On hold	Voucher	Invoice	Invoice date	Item number	Item name	Amount in...	Transaction...	Amount in...	Amount in...	Revenue schedule	Recognize date	Total recog...	Recognize ...	Amount to...	Remaining...	Quantity 1...	Recognize ...	Remaining...	Total quan...	Re
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	1/1/2023	127.05	8.47	127.05	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	2/1/2023	114.75	7.65	114.75	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	3/1/2023	127.05	8.47	127.05	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	4/1/2023	122.95	8.20	122.95	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	5/1/2023	127.05	8.47	127.05	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	6/1/2023	122.95	8.20	122.95	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	7/1/2023	127.05	8.47	127.05	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	8/1/2023	127.05	8.47	127.05	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	9/1/2023	122.95	8.20	122.95	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	10/1/2023	254.10	16.94	254.10	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	11/1/2023	122.95	8.20	122.95	0.00	0.00	0.00	0.00	0.00	
				CIV-0000...	1/1/2023	S0001	Installation services	1,500.00	USD	1,500.00	1,500.00	Fiscal	12/1/2023	4.10	0.27	4.10	0.00	0.00	0.00	0.00	0.00	

# Example 4: One year deferral with monthly amounts based on fiscal period starting on the date of the invoice

## Subscription Billing Revenue and expense deferrals

Deferral template with Period frequency = Fiscal periods. Lines set up with Type = Recognized, Period length = 12. With Revenue and expense deferrals there is a parameter that will either pro-rate the amount by the number of days in a month or not. This parameter is called "Equal amounts per period." In this example, the deferral schedule was created with Equal amounts per period = No which allows us to pro-rate by day.

Standard view ▾

### Deferral templates

Template	Description	Period frequency
Fiscal	Fiscal periods	Fiscal periods

Lines

+ Add + Append Delete

Type	Period length
<input checked="" type="radio"/> Recognized	12

Standard view ▾

### Revenue and expense deferral parameters

General

Number sequences

#### Set up revenue and expense deferrals

**SCHEDULE**

Equal amounts per period  
☒ No

Purchasing discount deferral option  
Merge discount with revenue ▾

Consolidate prior periods  
☒ No

Sales discount deferral option  
Merge discount with revenue ▾

Default deferral start date  
Transaction date ▾

Short-term deferral method  
Fixed year ▾

Deferral posting method  
☒ Balance sheet  
☐ Profit and loss

Reverse profit and loss on credit  
☐ Yes  
☒ No

Interrupt in case of incomplete d...  
☐ Yes  
☒ No

**RECOGNITION**

Automatically post general jour...  
☒ Yes  
☐ No

Summarize recognition journal  
☐ Yes  
☒ No

Default journal name  
GenJrn ▾

Recognition journal line descripti...  
Originating transaction det... ▾

In Revenue and expense deferrals we get the same values as we saw in the Revenue recognition example when setting Equal amounts per period = No.

All deferral schedules | USMF-000000331 : Sales order | Standard view

USMF-000000331 : Sales order

Schedule header

SCHEDULE

Deferral schedule number

USMF-000000331

Schedule status

Active

Schedule type

Straight line

Description

Account number

US-009

ACCOUNT

Deferral account

250600-001-

Short-term deferral account

250904-001-

Recognition account

401100-001---Services

Recognition type

Credit

Distribution type

Revenue

TRANSACTION

Creation source

Standard transaction

Transaction type

Sales order

Sales order

002410

Number

CIV-00000815

Item

S0001

EXTERNAL REFERENCES

External

Line number

TOTALS

Long-term deferred

0.00

Short-term deferred

1,500.00

Unrecognized

1,500.00

Stubbed

0.00

Recognized

0.00

Stubbed and recognized

0.00

Total amount

1,500.00

Schedule lines

Recognize

Reverse

<input type="radio"/>	Line	Deferral start date	Deferral end date	Amount	Stubbed	Recognized	Recognition date	Journal batch num...	Voucher
<input checked="" type="radio"/>	1	1/1/2023	1/31/2023	127.40					
<input type="radio"/>	2	2/1/2023	2/28/2023	115.07					
<input type="radio"/>	3	3/1/2023	3/31/2023	127.40					
<input type="radio"/>	4	4/1/2023	4/30/2023	123.29					
<input type="radio"/>	5	5/1/2023	5/31/2023	127.40					
<input type="radio"/>	6	6/1/2023	6/30/2023	123.29					
<input type="radio"/>	7	7/1/2023	7/31/2023	127.40					
<input type="radio"/>	8	8/1/2023	8/31/2023	127.40					
<input type="radio"/>	9	9/1/2023	9/30/2023	123.29					
<input type="radio"/>	10	10/1/2023	10/31/2023	127.40					
<input type="radio"/>	11	11/1/2023	11/30/2023	123.29					
<input type="radio"/>	12	12/1/2023	12/31/2023	127.37					

Moving in process revenue  
schedules to a deferral  
schedule in Revenue and  
expense deferrals

**Demo**





InPrivate

Dashboard -- Finance and Operations

https://hxphuipnzhak23brcz.sandbox.operations.int.dynamics.com/?origin=discovery&cmp=usmf&mi=DefaultDashboard

USMF

AD

Finance and Operations Preview

Contoso Entertainment System USA

Search people ...

< June 2023 >

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Work items assigned to me

Cash advance request : Record ret...

Expense reports : Record returned

Catalog : catalog approval

Expense reports : Expense report a...

Cash advance request : Cash advan...

Approve travel requisition

Catalog : catalog approval

Bank management

Customer invoicing

Ledger budgets and forecasts

Released product maintenance

Benefits

Customer payments

Maintenance request management

Resource lifecycle management

Budget planning

Data management

Master planning

Retail and Commerce IT

Business document management

Data validation checklist

My business processes

Revenue management

Business processes for human resources

Distributed order management

Optimization advisor

Sales order processing and inquiry

Business processes for payroll

Electronic reporting

Outbound work monitoring

Sales return processing

# Deferral schedule relationship form

## Demo

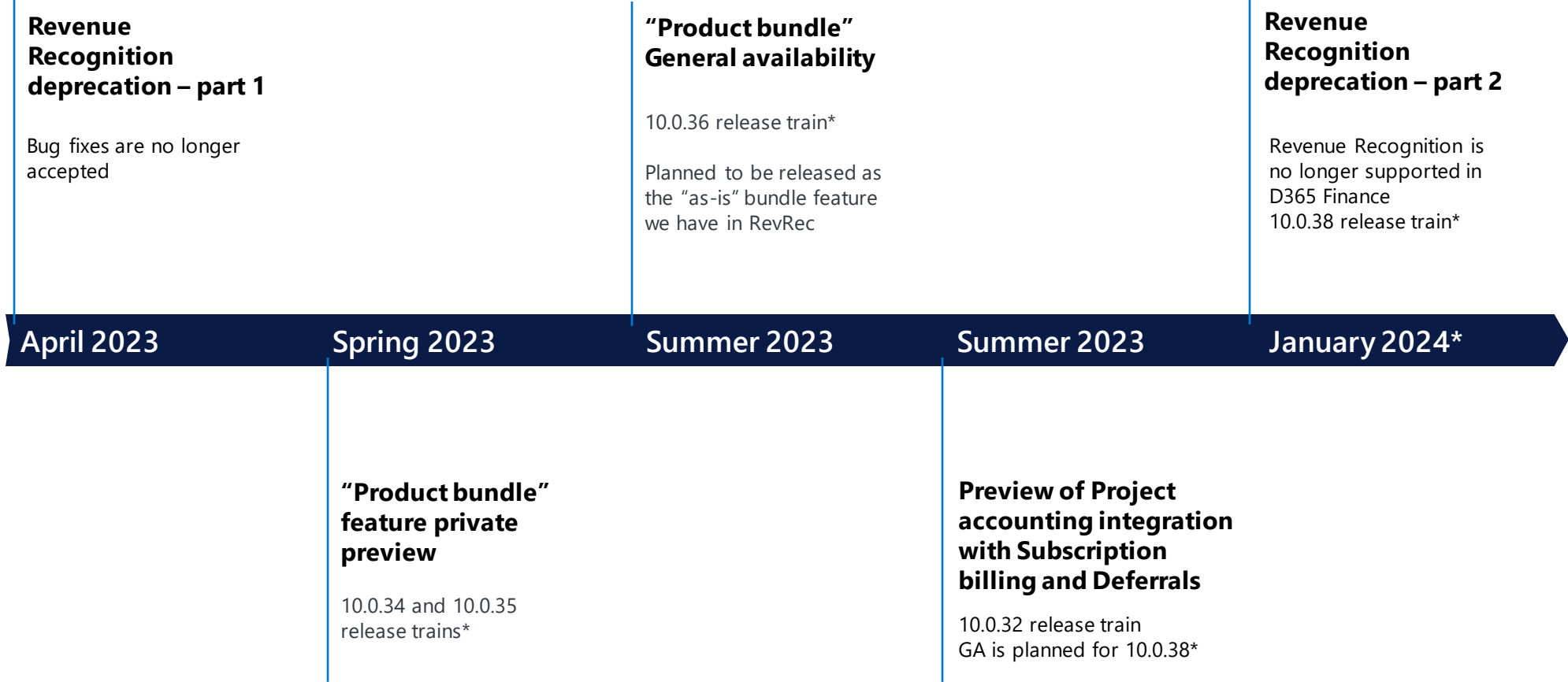




# Roadmap



# Important dates



\*may be subject to change

# Subscription billing roadmap

Future	MERA enhancements – credit notes	Deferrals for stocked service items	Inventory close/recalculation adjustment to COGS
September 2023	Reporting, Insights and Analytics		
	Revenue and Expense deferrals		
	Enhanced recurring billing		
	Complex price management – consumption, tiered, etc.		
	Project integration – Expense report, Timesheet, Purchase order invoice, Item requirements		

# Resources and recommendations



# Additional resources

- [Subscription billing overview - Finance | Dynamics 365 | Microsoft Learn](#)
- [Revenue Recognition migration to Subscription billing | Microsoft Learn](#)
- [Subscription Billing – Dynamics 365 Finance Series - Microsoft Dynamics Blog](#)
- [Project deferrals - Finance | Dynamics 365 | Microsoft Learn](#)
- [Subscription Billing and Deferral Schedules with Project Management & Accounting](#)
- [Ideas List \(dynamics.com\)](#)
- [Yammer](#)



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# Q&A

Dankie      Faleminderit      **Shukran**      Chnorakaloutioun      Hvala      Blagodaria  
 Děkuji      **Tak**      Dank u      Tänan      Kiitos      **Merci**      Danke      Ευχαριστώ      A dank  
 Mahalo      ἰτι.      **Dhanyavād**      Köszönöm      Takk      Terima kasih      **Grazie**      Grazzi

# Thank you!

감사합니다      Paldies      Choukrane      Ačiū      **Благодарам**      ありがとうございます  
 谢谢      Баярлалаа      **Dziękuję**      Obrigado      Mulțumesc      **Спасибо**      Ngiyabonga  
 Ďakujem      Tack      Nandri      Kop khun      Teşekkür ederim      Дякую      Хвала      Diolch



