

Revenue Recognition ASC - 958

Does each party receive commensurate value?

NO

It is a non-reciprocal transaction. Apply contribution (non exchange) guidance. Are any conditions imposed by the donor or grantor that must be met (eg. a barrier and a right of return/ right of release must exist)?

NO

It is an unconditional contribution. Assess donor imposed restrictions. Restrictions typically specify a purpose, time, or program for which the funds can be used.

NO

It is unconditional and without donor restrictions.

YES

It is an exchange transaction, recognize the revenue as the goods or services are provided, using a systematic and rational method, such as the percentage-of-completion or completed contract method.

YES

It is a conditional contribution,
Recognize conditional
contributions as revenue when the
conditions have been substantially
met or explicitly waived by the
donor. If the conditions are not met,
the funds are treated as a
refundable advance until the
conditions are satisfied.

YES

It is unconditional with donor restrictions

Recognize revenue based on restriction (with donor restrictions or without donor restrictions) Recognize unrestricted revenue when received or pledged.