

Revenue Recognition Workbook in ASC 606

This document outlines how to complete a revenue recognition workbook in alignment with ASC 606. The process walks through confirming that a contract exists, defining performance obligations, determining and allocating the transaction price, selecting the timing of recognition, assessing special topics, and saving or publishing the final workbook for policy use.

Step 1: Open the Revenue Recognition Workbook

Begin by navigating to the Revenue Recognition area of your system. Click on the **Revenue Recognition** tab to start a new revenue recognition workbook.

The screenshot shows the 'ASC 606 Revenue Recognition Workbook' interface. On the left is a dark blue navigation sidebar with the following menu items: NAVIGATION, Dashboard, Results, Finance Summary, Transactions, Vendor Summary, Fluctuation Analysis, Forecast, Headcount, CapEx, Cash Forecast, Chart of Accounts, Portfolio, Policies, and Revenue Recognition (highlighted). The main content area has a header with the 'totadvi' logo, company name, and user information (demo@totadvi.com (admin)). Below the header, the title 'ASC 606 Revenue Recognition Workbook' is displayed, followed by a subtitle: 'Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.' There are two buttons: 'New Workbook' and 'Back to Policies'. A disclaimer states: 'This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.' The main content is divided into three columns. The first column is a numbered list of steps: 1. Contract Identification, 2. Performance Obligations, 3. Transaction Price, 4. Allocation of Transaction Price, 5. Timing of Recognition, 6. Special Topics, and 7. Review & Save. The second column is the 'Contract Identification' form, which includes fields for 'Workbook title', 'Effective date' (with a date picker), 'Approved contract or agreement' (a dropdown menu), 'Rights of each party identifiable' (a dropdown menu), 'Payment terms identifiable' (a dropdown menu), and 'Arrangement has commercial substance' (a dropdown menu). The third column is the 'Risk Flags' section, which states: 'Flags update as questionnaire responses change. No current flags based on entered responses.'

Inside this workbook, the first section focuses on defining the contract.

Step 2: Validate That a Contract Exists Under ASC 606

In the initial **Contract Definition / Contract Verification** section, confirm that the arrangement meets the definition of a contract under ASC 606.

Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.

[New Workbook](#) [Back to Policies](#)

This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.

1 Contract Identification
Confirm the contract criteria before moving into revenue conclusions.

2 Performance Obligations
Identify promised goods and services and whether they are distinct.

3 Transaction Price
Capture fixed and variable consideration features that affect measurement.

4 Allocation of Transaction Price
Document whether allocation is required and how SSPs are established.

5 Timing of Recognition
Document whether control transfers over time or at a point in time.

6 Special Topics
Flag additional topics that may require more technical analysis.

7 Review & Save
Review the structured conclusion and save the workbook or create a policy draft.

Contract Identification
Capture the threshold contract criteria and the basic fact pattern.

Workbook title: Effective date:

Approved contract or agreement: Rights of each party identifiable:

Payment terms identifiable: Arrangement has commercial substance:

Collectibility probable: New contract or modification:

Short description of the arrangement:

Risk Flags
Flags update as questionnaire responses change.
No current flags based on entered responses.

Complete all fields in the **Contract Verification** area.

If **No** is selected for any of the required contract criteria, an error message will appear indicating that the contract may not meet the definition for revenue recognition under ASC 606.

This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.

Contract criteria not currently met

Based on the responses provided, this arrangement does not currently appear to qualify for revenue recognition under ASC 606. You may continue the workbook for documentation purposes, but revenue recognition should not proceed until the contract criteria are satisfied.

1 Contract Identification
Confirm the contract criteria before moving into revenue conclusions.

2 Performance Obligations
Identify promised goods and services and whether they are distinct.

3 Transaction Price
Capture fixed and variable consideration features that affect measurement.

4 Allocation of Transaction Price
Document whether allocation is required and how SSPs are established.

5 Timing of Recognition
Document whether control transfers over time or at a point in time.

6 Special Topics
Flag additional topics that may require more technical analysis.

7 Review & Save
Review the structured conclusion and save the workbook or create a policy draft.

Contract Identification
Capture the threshold contract criteria and the basic fact pattern.

Workbook title: Effective date:

Approved contract or agreement: Rights of each party identifiable:

Payment terms identifiable: Arrangement has commercial substance:

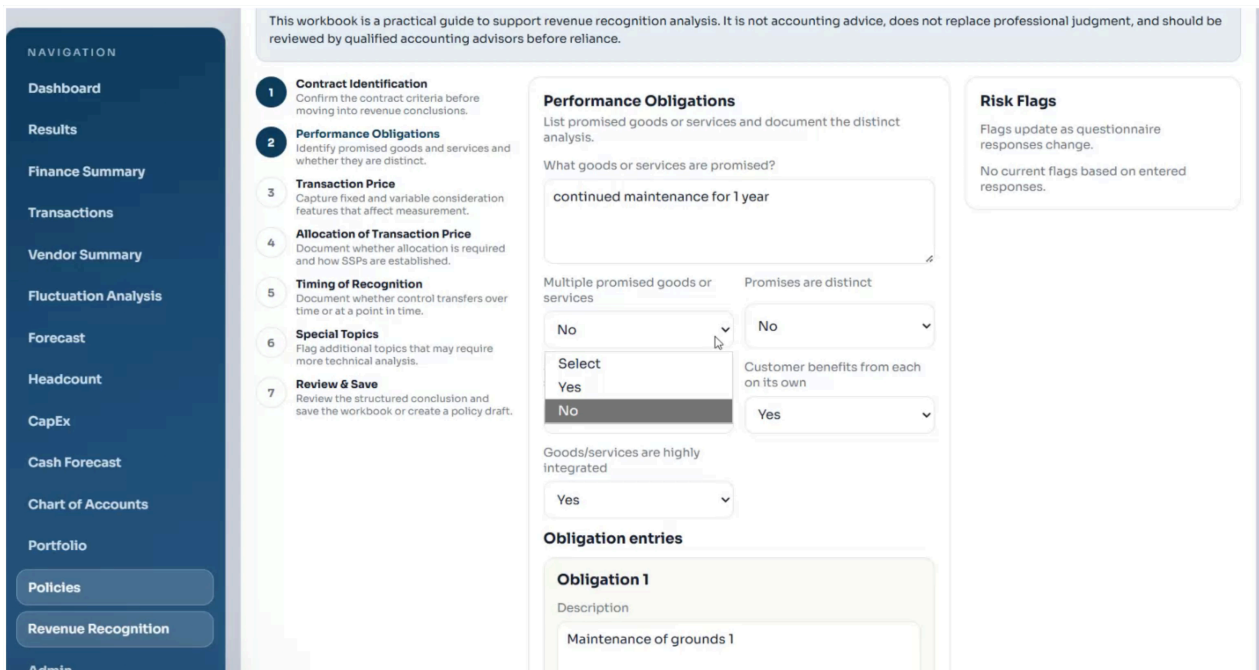
Collectibility probable: New contract or modification:

Short description of the arrangement:

Risk Flags
Flags update as questionnaire responses change.
No current flags based on entered responses.

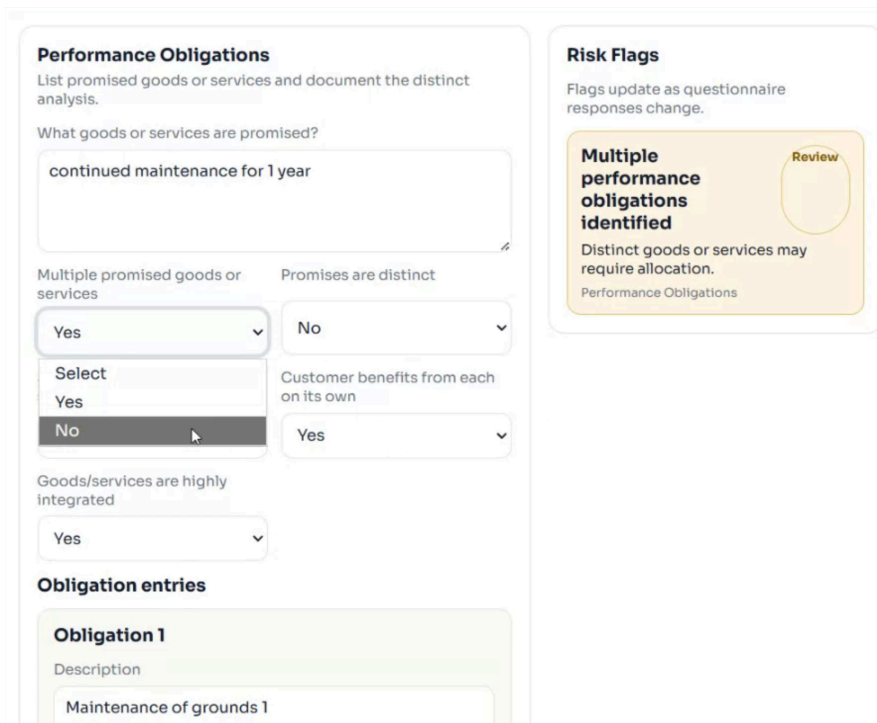
Step 3: Define Performance Obligations

Proceed to the **Performance Obligations** section.



For this example, select a **single performance obligation**.

If you identify **multiple performance obligations**, the system will flag this as a **risk assessment** item.



Document the performance obligation clearly and add any relevant notes to describe its nature, scope, or any key assumptions.

Step 4: Define the Transaction Price

Move to the **Transaction Price** section.

Enter the total fixed contract amount. Indicate if there is **variable consideration, significant financing component, non-cash consideration, consideration payable to the customer, or refund rights** for this contract.

The screenshot shows the 'ASC 606 Revenue Recognition Workbook' interface. On the left is a navigation sidebar with options like Dashboard, Results, Finance Summary, Transactions, Vendor Summary, Fluctuation Analysis, Forecast, Headcount, CapEx, Cash Forecast, Chart of Accounts, Portfolio, Policies, Revenue Recognition, and Admin. The main content area is titled 'ASC 606 Revenue Recognition Workbook' and includes a sub-header 'Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.' Below this are buttons for 'New Workbook' and 'Back to Policies'. A disclaimer states: 'This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.' The main section is 'Transaction Price', which includes a list of steps on the left: 1. Contract Identification, 2. Performance Obligations, 3. Transaction Price, 4. Allocation of Transaction Price, 5. Timing of Recognition, 6. Special Topics, and 7. Review & Save. The 'Transaction Price' section contains several dropdown menus: 'Fixed contract amount' (15000), 'Variable consideration present' (No), 'Potential significant financing component' (No), 'Noncash consideration' (No), 'Consideration payable to the customer' (No), and 'Refund rights' (No). There is also an 'Optional notes' text area. A 'Risk Flags' box on the right indicates 'No current flags based on entered responses.'

Step 5: Allocate the Transaction Price

Continue to the **Transaction Price Allocation** section.

The screenshot shows the 'ASC 606 Revenue Recognition Workbook' interface, specifically the 'Allocation of Transaction Price' section. The navigation sidebar is the same as in the previous screenshot. The main content area is titled 'ASC 606 Revenue Recognition Workbook' and includes the same sub-header and disclaimer. The 'Allocation of Transaction Price' section contains two dropdown menus: 'Multiple obligations require allocation' (with options 'Select', 'Yes', 'No', 'Select') and 'Standalone selling prices directly observable' (with option 'Select'). There is also an 'Optional notes' text area. A 'Risk Flags' box on the right indicates 'No current flags based on entered responses.'

If you were to select that multiple obligations exist, the system would flag this as a **high judgment** area and require you to specify an **allocation / estimation approach**.

ASC 606 Revenue Recognition Workbook
 Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.

[New Workbook](#) [Back to Policies](#)

This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.

- Contract Identification**
Confirm the contract criteria before moving into revenue conclusions.
- Performance Obligations**
Identify promised goods and services and whether they are distinct.
- Transaction Price**
Capture fixed and variable consideration features that affect measurement.
- Allocation of Transaction Price**
Document whether allocation is required and how SSPs are established.
- Timing of Recognition**
Document whether control transfers over time or at a point in time.
- Special Topics**
Flag additional topics that may require more technical analysis.
- Review & Save**
Review the structured conclusion and save the workbook or create a policy draft.

Allocation of Transaction Price
 Document whether allocation is needed and how it will be supported.

Multiple obligations require allocation:

Standalone selling prices directly observable:

Variable consideration allocated to a specific obligation:

Estimation approach:

 Adjusted market assessment
 Expected cost plus margin
 Residual approach

Risk Flags
 Flags update as questionnaire responses change.

Standalone selling price estimation required
 Observable SSPs are not available.
 Allocation

High Judgment

In such a case, choose one of the following methods as appropriate: **Adjusted Market Assessment**, **Expected Cost Plus Margin**, or **Residual Approach**.

Step 6: Set the Timing and Pattern of Revenue Recognition

Select the **Timing of Recognition** for the contract.

ASC 606 Revenue Recognition Workbook
 Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.

[New Workbook](#) [Back to Policies](#)

This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.

- Contract Identification**
Confirm the contract criteria before moving into revenue conclusions.
- Performance Obligations**
Identify promised goods and services and whether they are distinct.
- Transaction Price**
Capture fixed and variable consideration features that affect measurement.
- Allocation of Transaction Price**
Document whether allocation is required and how SSPs are established.
- Timing of Recognition**
Document whether control transfers over time or at a point in time.
- Special Topics**
Flag additional topics that may require more technical analysis.
- Review & Save**
Review the structured conclusion and save the workbook or create a policy draft.

Timing of Recognition
 Capture the transfer-of-control conclusion and supporting basis.

Revenue recognized over time or point in time:

 Over time
 Point in time

Optional notes

Risk Flags
 Flags update as questionnaire responses change.

No current flags based on entered responses.

Select the method used to **measure progress**. **Customer simultaneously received benefits, Customer controls assets as created, or no alternative use plus enforceable right to payment**

ASC 606 Revenue Recognition Workbook

Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.

New Workbook

Back to Policies

This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.

- 1 Contract Identification**
Confirm the contract criteria before moving into revenue conclusions.
- 2 Performance Obligations**
Identify promised goods and services and whether they are distinct.
- 3 Transaction Price**
Capture fixed and variable consideration features that affect measurement.
- 4 Allocation of Transaction Price**
Document whether allocation is required and how SSPs are established.
- 5 Timing of Recognition**
Document whether control transfers over time or at a point in time.
- 6 Special Topics**
Flag additional topics that may require more technical analysis.
- 7 Review & Save**
Review the structured conclusion and save the workbook or create a policy draft.

Timing of Recognition

Capture the transfer-of-control conclusion and supporting basis.

Revenue recognized over time or point in time

Over time

Basis for over-time recognition

Select

Select
Customer simultaneously receives and consumes benefits
Customer controls asset as created or enhanced
No alternative use plus enforceable right to payment

Select

Risk Flags

Flags update as questionnaire responses change.

No current flags based on entered responses.

ASC 606 Revenue Recognition Workbook

Guided questionnaire for revenue recognition analysis. Save the workbook separately, then create a policy draft when ready.

New Workbook

Back to Policies

This workbook is a practical guide to support revenue recognition analysis. It is not accounting advice, does not replace professional judgment, and should be reviewed by qualified accounting advisors before reliance.

- 1 Contract Identification**
Confirm the contract criteria before moving into revenue conclusions.
- 2 Performance Obligations**
Identify promised goods and services and whether they are distinct.
- 3 Transaction Price**
Capture fixed and variable consideration features that affect measurement.
- 4 Allocation of Transaction Price**
Document whether allocation is required and how SSPs are established.
- 5 Timing of Recognition**
Document whether control transfers over time or at a point in time.
- 6 Special Topics**
Flag additional topics that may require more technical analysis.
- 7 Review & Save**
Review the structured conclusion and save the workbook or create a policy draft.

Timing of Recognition

Capture the transfer-of-control conclusion and supporting basis.

Revenue recognized over time or point in time

Over time

Basis for over-time recognition

Customer simultaneously receives and consumes benefi

How progress is measured

Select

Select
Time elapsed
Cost incurred
Units delivered
Milestones
Other

Risk Flags

Flags update as questionnaire responses change.

No current flags based on entered responses.

Step 7: Assess Special Topics

Continue to the **Special Topics** assessment tab. Here, identify and document any relevant special considerations. One key area is the **Principal vs. Agent assessment**, which should be explicitly evaluated.

1 Contract Identification
Confirm the contract criteria before moving into revenue conclusions.

2 Performance Obligations
Identify promised goods and services and whether they are distinct.

3 Transaction Price
Capture fixed and variable consideration features that affect measurement.

4 Allocation of Transaction Price
Document whether allocation is required and how SSPs are established.

5 Timing of Recognition
Document whether control transfers over time or at a point in time.

6 Special Topics
Flag additional topics that may require more technical analysis.

7 Review & Save
Review the structured conclusion and save the workbook or create a policy draft.

Special Topics
Use this section to flag areas that may require further technical analysis.

Topics present

- Principal vs agent considerations
- Licensing involved
- Warranty involved
- Bill-and-hold arrangement
- Consignment arrangement
- Nonrefundable upfront fee
- Material right / renewal option
- Contract modification
- Breakage expected

General notes

Step 8: Review and Save or Publish the Workbook

Finally, review the completed revenue recognition workbook for accuracy and completeness.

You can then choose to:

- **Save as draft workbook** (for later review)
- **Save to policies**
- **Complete review** and move toward finalization

Recognition timing
Over time using time elapsed

Special topics triggered
No special topics selected.

Risk flags
Review: Nonstandard acceptance terms identified

Overall workbook notes

Navigate to the **Policies** folder to view all existing policies. It will first appear in a **draft** stage where a **manager** can **review** and **approve**



Accounting Policies

Draft, publish, and manage policy versions.

ASC 606 Workbook

New Policy

Refresh

Policy list

Cut Off	Recognition	Active	v3	--	2/7/2026	Actions
Reporting	EBITDA	Active	v2	2/1/2026	2/7/2026	Actions
Revenue Recognition	Revenue	Draft	--	--	2/7/2026	Actions
Cash vs Accrual	Revenue	Active	v1	1/7/2026	2/7/2026	Actions
Capex Policy	Expense	Active	v2	2/6/2026	2/7/2026	Actions

Edit draft

Publish

Versions

Archive

Delete