Revenue recognition principles are a cornerstone of accrual accounting. They determine the accounting period in which revenues are recognized. According to the principles, revenues are recognized when they are (1) realized or realizable, and are (2) earned (usually when goods are transferred or services rendered), no matter when cash is received.

The calculations for revenue and cost recognition can be complex and time-consuming processes. Revenue Recognition is the primary reason for financial restatements each year.

**Features**

iScala Revenue Recognition provides definable automatic revenue recognition calculations in both the Project Management and Contract Management modules based on the methods of Multiple Deliverables, Percentage of Completion and Straight Line.

**Project Management**

*Multiple Deliverables*

iScala Revenue Recognition enables revenue to be recognized based on deliverables in Project Management; it does not depend on project invoicing.

Deliverables can be materials, services, labor or any other chargeable expenses delivered to a customer as part of the project. Recognition happens when the deliverable’s ownership has been transferred according to the shipping terms and has been accepted by the customer. Through detailed WIP accounting, costs are also recognized simultaneously with revenues. The deliverables are triggered in iScala in the Project Management module by the project manager.

*Percentage of Completion*

The Project Management module also allows for the recognition of revenues on the percentage of completion method. Calculated per project and based on the percentage of total expected costs incurred, the same percentage of expected total revenue is recognized. Costs, revenues, and profits are therefore matched to the periods in which they are incurred.

Current currency exchange rates are used, when revenue values are calculated for currency contracts.
### Detailed Features

#### Revenue Recognition Models
- Multiple Deliverables—Project Management
- Percentage of Deliverables—Project Management
- Straight Line—Contract Management

#### User Definable Templates
- Quick setup for similar project/contracts

### Contract Management

**Straight Line**

Contract Management in iScala is further enhanced with the inclusion of the revenue recognition module which allows for straight line revenue recognition over the life of the contract. Revenue can be calculated on a monthly or daily rate per contract and then distributes per contract accounting string. Current currency exchange rates are used, when revenue values are calculated for a foreign currency contract.

**User Definable Templates**

As organizations will use the same recognition principles again and again over multiple projects and contracts, users have the ability to define and save for reuse templates that can then simply be applied at setup.

### Additional Information

Epicor iScala is the most globally available ERP solution, fully supported by the standard Signature implementation methodology. A set of migration tools is available for existing Epicor Scala/iScala customers who wish to migrate or upgrade to the latest release Epicor iScala. For further details please contact your local Epicor representative or visit www.epicor.com.