

# ASC 606 Checklist for Professional Services

Properly recognizing revenue from contracts in accordance with ASC 606 and GAAP requires a disciplined and consistent approach to establishing contracts and delivering against them. Use this checklist to identify potential gaps in your service organization's process or systems.

## For every contract in my organization:

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Contract type (e.g, fixed fee, fixed price, T&M) is clearly defined.                   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. All rights regarding what is to be delivered are clear and agreed upon.                | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. All rights regarding payment terms for goods/services are clear and agreed upon.       | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. All parties involved in the delivery of the goods/services have approved the contract. | <input type="checkbox"/> | <input type="checkbox"/> |

## For every project in my organization:

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1. Explicit and implicit deliverables identified in each contract are clearly articulated.                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Where applicable, deliverables are identified by key milestones at which point revenue can be recognized.               | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Explicit and implicit deliverables are set up in a system that allows visibility into delivery progress against budget. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Alerts are set up to notify when milestones are completed.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Alerts are set up to notify delivery and accounting in advance of any deliverables at risk of default or delay.         | <input type="checkbox"/> | <input type="checkbox"/> |

## For every stakeholder in my organization:

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 1. Stakeholders receive regular and timely reporting on actual and projected revenue.                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Data contained in reports is accurate, up to date and reliable.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Ad hoc reporting is easily done at a project level.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Reporting can easily be rolled-up to aggregate levels (e.g. by division, office, and/or customer)                     | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Project accounting system records all transactions to ensure seamless audit trail from contract inception to invoice. | <input type="checkbox"/> | <input type="checkbox"/> |

**If you can't check "yes" to every item, talk to BigTime Software.**

We help hundreds of companies worldwide stay compliant with ASC 606 while reducing manual task and improving visibility into the health of services delivery.

