

Welcome to the Team!

Dear Team Member,

We are excited to have you on board. As part of your onboarding process, we want to introduce you to our revenue recognition process. Understanding this process is crucial for your role and contributes to our overall success.

What is Revenue Recognition?

Revenue recognition is the accounting principle that outlines how and when revenue is recorded. Our company follows the standards set by the Financial Accounting Standards Board (FASB) to ensure accuracy and compliance.

Key Steps in Our Revenue Recognition Process:

1. **Identify the Contract:** Establish a legal agreement with the customer.
2. **Identify Performance Obligations:** Specify what services or products we have promised to deliver.
3. **Determine Transaction Price:** Set the amount we expect to be entitled to in exchange for our goods or services.
4. **Allocate the Transaction Price:** Distribute the transaction price to each performance obligation based on relative standalone selling prices.
5. **Recognize Revenue:** Record revenue when (or as) we satisfy each performance obligation.

Training and Resources

We will conduct a training session next week to delve deeper into each step of this process. In the meantime, please refer to the attached resources for additional reading.

If you have any questions, feel free to reach out to your supervisor or the finance department.

Best Regards,

Your Company Name
Your Position