

Specialization = Right Answers

The Financial Accounting Standards Board issued a series of Accounting Standards Updates in 2009 that will impact revenue recognition for many companies.

In June 2010, a public company client was introducing a new product line, and didn't know whether the new standards would impact the way it had been recognizing revenue.

Audit Prep Services performed an analysis of the Company's new product and made an assessment regarding the impact of adopting the new accounting standard before it was required. It was determined that the new standard would have a significant impact on the timing of revenue recognition.

As a result, it was determined that early adoption would be preferable, as it would avoid a change in accounting principle in a future period. It also accelerated revenue recognition, which did not upset the CEO.

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