

**Overview & Objective** – The purpose of this I M & U is to demonstrate the booking and reversal of Unbilled Revenue. These procedures must be followed for the A/R Ledger and G/L to remain in balance.

**Framework** – A general framework for booking Unbilled Revenue is as follows:

1. Unbilled Revenues *are booked* in the A/R Module by use of a specified Account Label. This amount is an estimate for the billing that will later be issued to the customer by Invoice.
2. Unbilled Revenues *are reversed* in the A/R Module by use of a specified Account Label for the amount of the original Unbilled Revenue. This occurs *prior to* the actual issuance of the customer Invoice.
3. An Invoice is issued from the A/R Module for amounts that were indicated in the original Unbilled Revenue entry. In some instances, amounts invoiced will differ from the Unbilled Revenue estimate.

**Booking Unbilled Revenue** – To book Unbilled Revenues navigate to the Customer Invoice Screen (see I M & U “Recording A/R Invoices” for navigating to the Customer Invoice Screen and A/R Batches). The Unbilled Revenue amount is entered into the Batch or monthly period ***that the revenue will be recognized***. The title “Invoice” should appear in the upper left hand corner, entry as follows:

- **\*Date** – Enter the Date the Unbilled Revenue is booked (generally not month-end date).
- **\*Account Label** – Select an Account Label that corresponds to “Unbilled Revenue - ”
- **\*Amount** – Enter the amount of the Unbilled Revenue for the period

⇒ When all the Invoice items are entered click “**Save**” (upper right hand corner). Once saved, a transaction will be posted to the A/R and G/L Modules which will record the following entry:

Unbilled Revenue	DB		This entry allows for revenue to be recognized
Revenue		<CR>	in the correct period with Unbilled recorded.

**Reversal of Unbilled Revenue** – To reverse Unbilled Revenues navigate to the Customer Invoice Screen. The Reversal of the Unbilled Revenue amount is entered into the Batch or monthly period ***that the actual invoice will be issued***. The title “Invoice” should appear in the upper left hand corner, entry as follows:

- **\*Date** – Enter the Date that the Unbilled Revenue is Reversed (generally not month-end date).
- **\*Account Label** – Select an Account Label that corresponds to “Reversal of Unbilled Revenue - ”
- **\*Amount** – Enter a ***negative amount*** that corresponds to the original Unbilled Revenue item
  - **Example:** If the original Unbilled Revenue amount was **10,000** enter an amount of **-10,000**

⇒ When all the Invoice items are entered click “**Save**” (upper right hand corner). Once saved, a transaction will be posted to the A/R and G/L Modules which will record the following entry:

Revenue	DB		This entry reverses (or records “negative” rev-
Unbilled Revenue		<CR>	enue) in the period the Invoice will be issued.

**Issuance of Invoice** – To issue the Invoice navigate to the Customer Invoice Screen. The amount of the Invoice will generally correspond to the amounts that were originally recorded as Unbilled Revenue and later Reversed. The amount is entered into the Batch or monthly period ***of the actual billing***. The title “Invoice” should appear in the upper left hand corner, entry as follows:

- **\*Date** – Enter the Date the Invoice is issued (generally not month-end date).
- **\*Account Label** – Select an Account Label that corresponds to normal invoicing “Consulting Services –”
- **\*Amount** – Enter the amount that will appear on the customer issued Invoice

⇒ When all the Invoice items are entered click “**Save**” (upper right hand corner). Once saved, a transaction will be posted to the A/R and G/L Modules which will record the following entry:

A/R: Trade	DB		This entry records the proper A/R: Trade Amt.
Revenue		<CR>	with the revenue offset by the Reversal entry.

**Further Instruction & Use** – For further information regarding recording Unbilled Revenue contact your Account Executive or call The NDH Group, Ltd. at 312.461.0505.