

Netsuite Revenue and “ARM”

Rocky Mountain Netsuite User Group

March 19, 2025

Mike Kachline mkachline@gmail.com



CPE Credit Goals

By the end of this course, participants will be able to ...

1. Define concepts “Revenue”, “Deferred Revenue” and “Unbilled Receivables” from an Accounting and Netsuite System perspective.
2. Define common Revenue Recognition “scenarios”
3. Overview of Netsuite Revenue Recognition options WITHOUT the use of ARM.
4. Discuss concepts of Revenue Recognition “Triggers” and “Schedules”
5. Discuss ARM Records: “Arrangements”, “Elements”, “Plans” and “Journals”
6. Overview of Netsuite’s “flow of records and events” when using ARM.

The logo for the National Association of State Boards of Accountancy (NASBA) is displayed in a teal, serif font. The letters are bold and closely spaced, with a classic, professional appearance.

Topics Discussed

- Revenue Core Concepts
 - Example Revenue Examples
 - Amounts, Triggers and Schedules
 - GL Activities
- Simple RevRec - Using Amortization Journals
- Advanced Revenue Management (ARM)
 - What is ARM?
 - Why use ARM?
 - How does ARM work?
 - ARM Business Processes
 - ARM Caveats

Core Concepts: What is Revenue?

BERKSHIRE HATHAWAY INC. and Subsidiaries CONSOLIDATED STATEMENTS OF EARNINGS (dollars in millions except per share amounts)				
	Third Quarter		First Nine Months	
	2018	2017	2018	2017
Revenues:				
Insurance and Other:				
Investment income earned	\$ 10,112	\$ 10,100	\$ 30,100	\$ 30,100
Fees and service charges	10,112	10,100	30,100	30,100
Leasing revenues	1,618	1,618	4,854	4,854
Interest, dividend and other investment income	1,450	1,450	4,350	4,350
	13,292	13,278	39,354	39,404
Railroad, Utilities and Energy:				
Freight and transportation revenues	1,982	1,982	5,946	5,946
Energy operating revenues	1,982	1,982	5,946	5,946
Service revenues and other income	1,982	1,982	5,946	5,946
	5,946	5,946	17,838	17,838
Total revenues	19,238	19,224	57,192	57,242
Investment and derivatives contract gains (losses):				
Investment gains (losses)	274	127	827	301
Derivatives contract gains (losses)	11,818	14,708	41,246	31,017

Amount the seller states in the Income Statement as “Income”, once the seller has delivered, and the buyer has provided a commitment to pay.

- Always Found on Income Statement
- Also-called “Revenue”, “Income” or (technically incorrectly) “Profit”

Core Concepts: Example Revenue Scenarios

Invoice GL Impact				
ACCOUNT	AMOUNT (DEBIT)	AMOUNT (CREDIT)	POSTING	MEMO
Accounts Receivable	\$25.00		Yes	
Membership Sales - Individual		\$25.00	Yes	Annual Individual Membership Dues Rocky Mountain NetSuite User Group

- Simple Scenarios
 - Cash and Carry
 - Fulfill and Bill
 - Monthly Subscription, Billed Monthly.
 - Professional Services Time and Materials
- More Complex Scenarios
 - Quarterly/Annual Billing where Revenue should be “Monthly”
 - Professional Services “Percent Complete” Recognition, regardless of Billing.

Core Concepts: G/L Activities

- Revenue Moves from Balance Sheet, to Income Statement
- Line Level, Exclude Taxes
- “Income”
 - Income Statement
 - Any account where “Type = Income”
- “Deferred Revenue”
 - Balance Sheet, Liability
 - Any Account where “Type = Deferred Revenue”
- “Unbilled Receivables”
 - Balance Sheet, Asset
 - Any Account where “Type = Unbilled Receivables”

Lines Communication Related Records System Information Custom			
96,795.71 •			
ACCOUNT	DEBIT	CREDIT	MEMO
215110 Deferred Revenue : Deferred Maintenance Revenue : Deferred Maintenance Revenue	106.58		Rev Rec Source
412110 Revenue : Recurring : Subscription :		106.58	Rev Rec Destination

Core Concepts: Billing vs Revenue Recognition

Key concepts related to Billing and RevRec.

- Billing and Revenue Schedules can be completely different!
- At end of obligation, Billing and Revenue should match. "DR" is key.
- Billing can serve as a Revenue "Trigger" (Doesn't need to, though)

Core Concepts: Amounts, Triggers and Schedules

These basic concepts are used throughout Revenue Recognition, in both “simple” cases, as well as complex.

- Total Amount to Recognize
- Events which Triggers Recognition to Start
- Recognition Schedule

Revenue Element		
Primary Information		
SOURCE Sales Order #16380	REVENUE ALLOCATION GROUP	START DATE 11/1/2017
SOURCE DATE 10/1/2017	REFERENCE ID SalesOrd_39241	END DATE 10/31/2018
EFFECTIVE START DATE	<input type="checkbox"/> FAIR VALUE OVERRIDE	TERM IN MONTHS
EFFECTIVE END DATE	BASE FAIR VALUE 71.28	TERM IN DAYS
REVENUE ARRANGEMENT Revenue Arrangement #18209	ALTERNATE QUANTITY	REV REC FORECAST RULE VF Daily Rule (On Fulfillment)
NUMBER 100000	CALCULATED FAIR VALUE AMOUNT 71.28	FORECAST START DATE 11/1/2017
LAST MERGED FROM ARRANGEMENT	ALLOCATION TYPE Normal	FORECAST END DATE 10/31/2018
ITEM PheZAB_SW-M-AQ-PR0-2100	<input type="checkbox"/> IS KIT ITEM TYPE	DEFERRAL ACCOUNT 215110 Deferred Revenue : Deferred Maintenance Revenue
ORIGINAL QUANTITY 1	PARENT KIT ELEMENT	RECOGNITION ACCOUNT 411110 Revenue : Recurring : Maintenance
QUANTITY 1	<input checked="" type="checkbox"/> PERMIT DISCOUNT	FOREIGN CURRENCY ADJUSTMENT ACCOUNT 411110 Revenue : Recurring : Maintenance
CURRENCY US Dollar	<input type="checkbox"/> POSTING DISCOUNT APPLIED	TRANSITION TO NEW STANDARD
EXCHANGE RATE 1.00	REVENUE AMOUNT 71.28	REVENUE MIGRATION ADJUSTMENT ACCOUNT
SALES AMOUNT 71.28	REVENUE ALLOCATION RATIO 1.88%	REVENUE PLAN STATUS Completed
ORIGINAL DISCOUNTED SALES AMOUNT 71.28	LINKED ELEMENT	CUSTOMER 3002596 * PHEASANT HUNTING & LODGING, LLC : 2218
DISCOUNTED SALES AMOUNT	CREATE REVENUE PLANS ON Fulfillment	
	REVENUE RECOGNITION RULE VF Daily Rule (On Fulfillment)	

Simple Revrec: Using Amortization JEs

METHOD		START OFFSET			
Straight-line, by even periods		0			
ACCOUNT	POSTING PERIOD	IS RECOGNIZED	DATE EXECUTED	JOURNAL	AMOUNT
412110 Revenue : Recurring : Subscription : Subscription	May 2018		5/31/2018	18550	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Jun 2018		6/30/2018	18899	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Jul 2018		7/31/2018	19796	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Aug 2018		8/17/2018	20642	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Sep 2018		9/30/2018	21750	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Oct 2018		10/31/2018	22507	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Nov 2018		11/30/2018	23363	-20.75
412110 Revenue : Recurring : Subscription : Subscription	Dec 2018		12/31/2018	25380	-20.75

Monthly Subscription, Paid Annually

- “Amortization Guide” - User Guide
- Page: Amortization Schedules
- Page: Amortization Templates
- Page: Create Amortization Journals

Amortization JE - Thoughts

- Not really ideal for “sale” revenue.
- Great for importing external waterfalls.
- “Triggering” revenue is manual;
(Creation of this journal)
- Amort journals do not “look right” in the UI. (Net \$0 GL impact)

Journal 6515 APPROVED FOR POSTING PAYMENTS APPLIED

Primary Information

COUNTRY/ORG	6019	POSTING PERIOD	May 2018	APPROVAL STATUS	Approved
CURRENCY	US Dollar	REVERSAL #		NEXT APPROVER	
REVERSED DATE	1/8/2018	REVERSAL DATE		# SUGGESTED APPROVER	
DATE	1/8/2018	NOTE	Oracle Migration Waterfall OracleInvoice "6538424"		

Classification

SUBSIDIARY: Oracle/US, INC.
COUNTERPARTY:

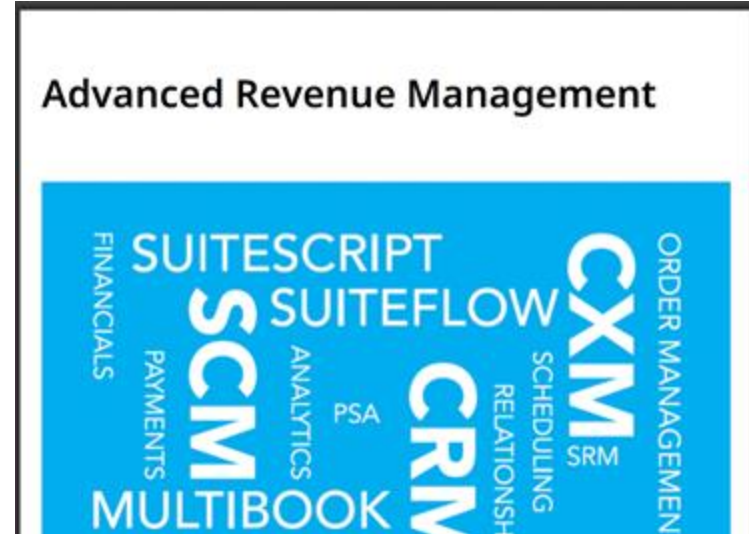
Lines Communication Related Records System Information Custom EFT AutoChange Tax Reporting Integration Approver List Items Tax Details Verify Call Detail

Account	DEBIT	CREDIT	Amount	DATE	POST	PRODUCT	LOCATION	Amount	Chart	Exp
2151118 Deferred Revenue - Deferred Maintenance Revenue - Deferred Maintenance Revenue		146.00	Oracle Migration Waterfall OracleInvoice "6538424" OracleOrder "15591" OracleInvoice "4213112" OracleSchedule "S" Daily Rule "OracleProduct/Compliance Express - Subscription"	02/15/2018	Other / No Cost Center	Service Industry Platform	Service	146.00	5/1/2018	12/31/2018
2151118 Deferred Revenue - Deferred Maintenance Revenue	146.00		Oracle Migration Waterfall OracleInvoice "6538424" OracleOrder "15591" OracleInvoice "4213112" OracleSchedule "S" Daily Rule "OracleProduct/Compliance Express - Subscription"		Other / No Cost Center	Service Industry Platform	Service		5/1/2018	12/31/2018

Advanced Revenue Management (ARM) - Intro

Netsuite's solution for recognizing revenue in more advanced cases.

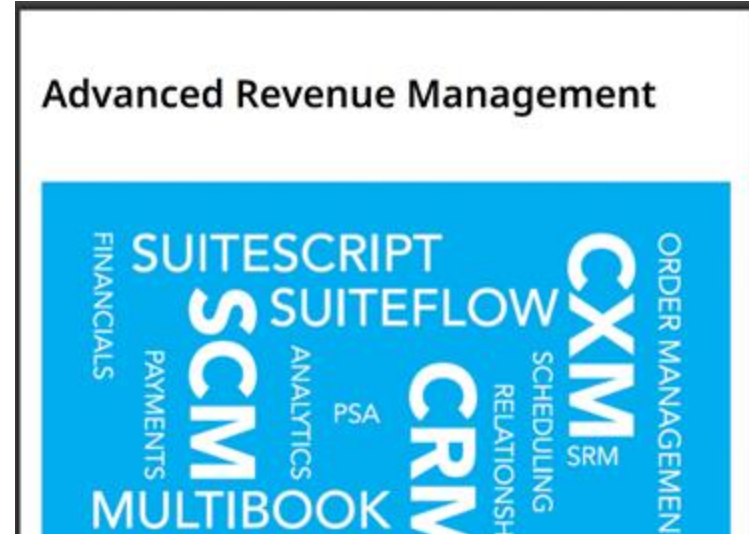
- Obtaining ARM
- Why ARM?
- How does ARM Work?
- Business Process Impact
- Considerations and Caveats



Why ARM? - Summary

Why consider Netsuite's ARM Module?

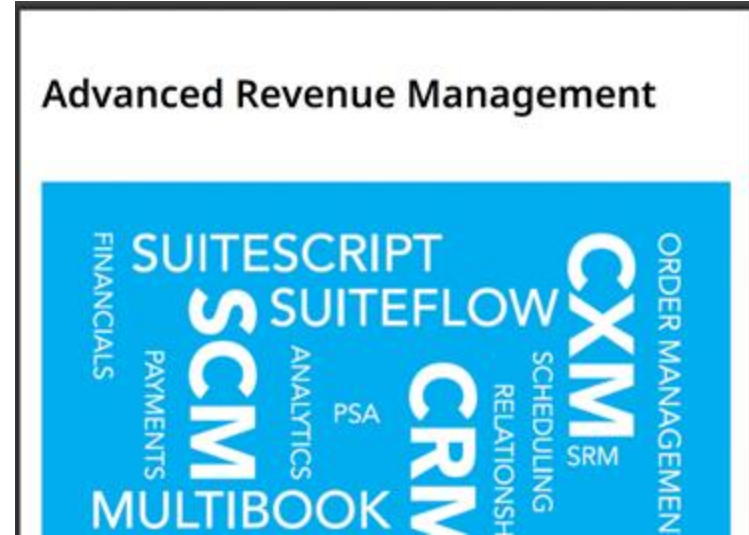
- Complex Scenarios
- Reports Created
- Automation and Audit
- Forecasting
- Integrates well with other Netsuite “advanced” bundles
- Scalable



Why ARM? - Complex Scenarios

Many complex scenarios can be handled.

- You fall under ASC606 Accounting Rules
- You want Independent billing and revenue schedules.
- You need to start recognition on some event other than just “billing” or “now.”
- You need Automation in your Revenue schedules



Why ARM? - Reports Created

Some interesting reports which come out of ARM.

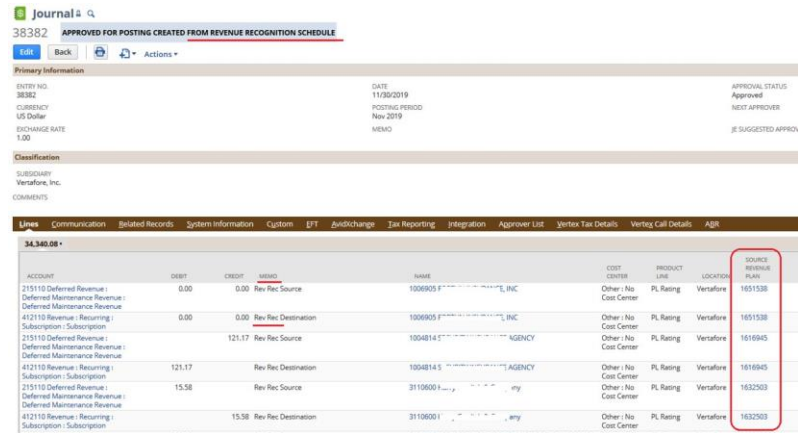
- (Deferred) Revenue by Customer
- (Deferred) Revenue by Item
- Waterfall and Rollforward Reports
- Revenue Forecast Reporting

Lists	Reports	Analytics	Documents	Setup	Customization	Commerce
	Reports Overview				Deferred Revenue By Customer	>
	New Report				Deferred Revenue By Item	>
New	New Financial Report				Revenue By Customer	>
	Saved Reports	>			Revenue By Item	>
	Scheduled Reports	>			Deferred Revenue Waterfall	>
	New Search				Revenue Recognition Forecast	>
	Saved Searches	>			Billing and Revenue Summary	>
	Scheduled Searches	>			Deferred Revenue Reclassification Activity	>
	Financial	>			Deferred Revenue Reclassification	>
	Revenue	>			Deferred Revenue Rollforward	>

Why ARM? - Automation and Audit

How ARM can help with Audits.

- Minimize manual journals.
- “System Driven” revenue recognition rules.
- Revenue, A/R, PS and Fulfillment roles can work independently.



The screenshot displays the Jorنالs ARM interface for a journal entry. The entry is titled "38382 APPROVED FOR POSTING CREATED FROM REVENUE RECOGNITION SCHEDULE". It includes fields for Entry No., Date, Currency, Posting Period, Exchange Rate, and Memo. The entry is classified under "Versafone, Inc." and has a "SUGGESTED APPROVER" field.

The table below shows the journal entry details, including the account, debit, credit, memo, name, cost center, product line, location, and source. The source is highlighted in red in the original image.

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	COST CENTER	PRODUCT LINE	LOCATION	SOURCE
215110 Deferred Revenue : Deferred Maintenance Revenue	0.00	0.00	Rev Rec Source	1006905 F	Other : No Cost Center	PL Rating	Versafone	1651538
412110 Revenue : Recurring : Subscription : Subscription	0.00	0.00	Rev Rec Destination	1006905 F	Other : No Cost Center	PL Rating	Versafone	1651538
215110 Deferred Revenue : Deferred Maintenance Revenue	121.17		Rev Rec Source	1004814 S	Other : No Cost Center	PL Rating	Versafone	1616945
412110 Revenue : Recurring : Subscription : Subscription	121.17		Rev Rec Destination	1004814 S	Other : No Cost Center	PL Rating	Versafone	1616945
215110 Deferred Revenue : Deferred Maintenance Revenue	15.58		Rev Rec Source	3110600 I	Other : No Cost Center	PL Rating	Versafone	1632503
412110 Revenue : Recurring : Subscription : Subscription	15.58		Rev Rec Destination	3110600 I	Other : No Cost Center	PL Rating	Versafone	1632503

Why ARM? - Forecasting

ARM Supports “Forecasting”

- Supports different “Forecast” rules from “Actual” rules.
- Different “types” of forecasting (Actuals runouts vs ARM “Forecasts.”

Coffee Break!

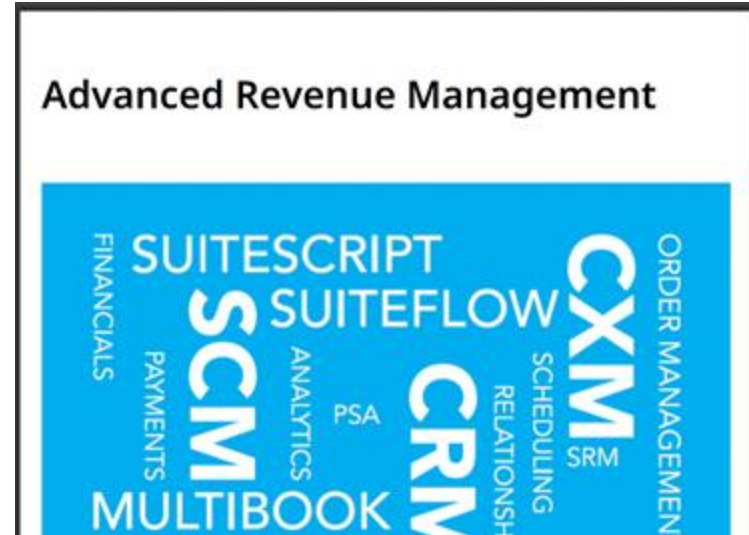


How does ARM Work? - Summary

How does ARM "Work"?

A Deep Dive.

- Global Setup
- Netsuite Item Records
 - Netsuite GL Accounts
 - "Create Revenue Plans On", RevRec Rules
 - Source Txns, Field Mappings
- Arrangements, Elements, Plans
- Revenue Journals



How ARM? - Global Setup

Various “Global” Settings related to ARM.

- Pro Assistance Advised
- Page: Accounting Preferences
- Default DR Reclass Account
- ARM Journal Defaults
- Default Rules
- ARM Scheduled Run Frequency
- Closed Sales Order Behavior
- Cost Amortization Setup

Advanced Revenue Management Only

REVENUE ARRANGEMENT UPDATE FREQUENCY
Automatic

REVENUE PLAN UPDATE FREQUENCY
Automatic

☐ DISABLE CREATION OF FORECAST PLANS

☒ ALLOW GAPS IN REVENUE RECOGNITION RECORD NUMBERS

DEFAULT REVENUE ARRANGEMENT FORM
Standard Revenue Arrangement

DEFAULT REVENUE RECOGNITION JOURNAL ENTRY FORM
Standard Journal Entry

DEFAULT RECLASSIFICATION JOURNAL ENTRY FORM
Standard Journal Entry

DEFAULT DEFERRED COST JOURNAL ENTRY FORM
Standard Journal Entry

DEFAULT STANDARD REVENUE RECOGNITION RULE
Straight-Line : prorate first & last period

DEFAULT CATCH UP PERIOD
Current Period

DEFAULT REFORECAST METHOD

☒ ENABLE FAIR VALUE RANGE CHECKING

☒ USE SALES PRICE AS FAIR VALUE

☒ USE TRANSACTION DATE AS REVENUE ARRANGEMENT DATE

How ARM? - Netsuite Item Record Setup

How ARM "ties to" Item Records.

- Revenue Recognition Rule
- Create Revenue Plans on
- GL Accounts: Income, DR, FX Adjustment
- “Hold Revenue” Checkbox
- “Direct Revenue Posting” Checkbox.
- ASC606 Fields

Non-Inventory Item for Sale ProZAB_SW-S-CR-PLR-2501

[Edit](#) [Back](#) [Convert to Inventory](#) [Actions](#)

Primary Information

ARTICLE ID M02	DISPLAY NAME CODE ProZAB_SW-S-CR-PLR-2501	STATUS ID SUBMIT IN
ITEM NUMBER ProZAB_SW-S-CR-PLR-2501		

Classification

SA CATEGORY ID EXP00000000000000000000	PROJECT ADDRESS 15 PROZAB FIRM	PRODUCT LINE NAME P1 Rating
ITEM PRODUCT LINE EXP00000000000000000000		PRODUCT FAMILY Engineering
SUBCATEGORY Parent Company: Hensley, Inc.	STATUS ID SUBMIT IN	STATUS ID SUBMIT IN
<input checked="" type="checkbox"/> INCLUDE CHILDREN		
ITEM CLASS Other: The Case Cases	PRODUCT CATEGORY Item	STATUS ID SUBMIT IN
PRODUCT LINE P1 Rating	PRODUCT CLASS Subcategory	STATUS ID SUBMIT IN
CUSTOMER Hensley	PROJECT GROUP Being/Transacted	STATUS ID SUBMIT IN
	PRODUCT LINE CODE 2501	<input checked="" type="checkbox"/> INCLUDE OPTION ITEM

ARTICLE GROUP CODE

Purchasing Sales Pricing Accounts Revenue Recognition / Amortization Related Records Communication Preferences System Information Options Tax Reporting DMS Settings

Advanced Revenue Recognition

RECOGNITION TYPE Normal ACCOUNT ACCOUNT <input type="checkbox"/> REVENUE IS DEBITED REVENUE CATEGORY	<input type="checkbox"/> HOLD REVENUE RECOGNITION REVENUE RECOGNITION RULE IF (Any Rule OR Fulfillment) SET REVENUE LAST DATE IF (Any Rule OR Fulfillment) REVENUE ALLOCATION GROUP	REVENUE REVENUE IS DEBITED Fulfillment <input type="checkbox"/> PROJECT REVENUE RECOGNITION <input type="checkbox"/> REVENUE IS DEBITED REVENUE RECOGNITION REVENUE RECOGNITION REVENUE RECOGNITION User Income Revenue
--	--	--

How ARM? - Netsuite GL Account Setup

Creating GL Accounts for ARM activities.

- Account Type Matters!!
- Deferred Revenue
- Income
- Unbilled Receivables

Account

Save

Cancel

NUMBER *

NAME *

SUBACCOUNT OF

TYPE *

Bank

Expense

Other Income

Other Expense

Deferred Revenue

Deferred Expense

Unbilled Receivable

Statistical

How ARM? - “Create Revenue Plans On”

What “Triggers” Revenue?

- NOT a custom list.
- Choose Wisely / Item Record Planning

CREATE REVENUE PLANS ON

Revenue Arrangement Creation

Billing

Fulfillment

Revenue Arrangement Creation

How ARM? - Revenue Recognition Rules

Records which define “schedule rules” for Revenue Recognition.

- Page: Revenue Recognition Rules
- Schedule: Start, Stop, Offset, Frequency
- How to handle EndDate Changes
- You can create Custom Rules.

The screenshot shows the 'Revenue Recognition Rule' configuration page. At the top right are links for 'List', 'Search', and 'Customize'. Below the title are 'Save' and 'Cancel' buttons. The 'Primary Information' section contains several fields: 'NAME' (text input), 'RECOGNITION METHOD' (dropdown menu showing 'Straight-line, by even periods'), 'RECOGNITION PERIOD' (text input), 'PERIOD OFFSET' (text input), 'START OFFSET' (text input), 'INITIAL AMOUNT' (text input), 'TERM IN MONTHS' (text input), 'TERM IN DAYS' (text input), 'AMOUNT SOURCE' (dropdown menu showing 'Event-Percent based on amount'), 'REV REC START DATE SOURCE' (dropdown menu showing 'Arrangement Transaction Date'), 'REV REC END DATE SOURCE' (dropdown menu showing 'Term in Months'), 'END DATE CHANGE IMPACT' (dropdown menu showing 'Update Remaining Periods Only'), 'REFORECAST METHOD' (dropdown menu), and 'RECALCULATION ADJUSTMENT PERIOD OFFSET' (text input). There is an 'INACTIVE' checkbox. Below these fields is a table with columns 'NO.', 'PERIOD OFFSET', and 'AMOUNT PERCENTAGE'. The table is currently empty. At the bottom are buttons for 'Add', 'Cancel', 'Insert', and 'Remove'.

How ARM? - “Source” Records

Netsuite Transactions which ultimately “drive” Revenue..

- Transaction Records (See User Guide)
- Project Records
- Subscription Records
- Custom Records

Revenue Arrangement Management

A revenue arrangement is a non-posting transaction that records the details of a sale for purposes of revenue allocation and recognition. The revenue arrangement is initially created 3 hours after the source document if the Revenue Arrangement Update Frequency preference is set to Automatic. See [Setting Advanced Revenue Management \(Essentials\) Preferences](#).

NetSuite creates revenue arrangements for the following types of transactions. If the transaction is subject to approval, the revenue arrangement is created only after the transaction is approved.

- Sales orders
- Invoices not created from sales orders
- Cash sales
- Cash refunds
- Return authorizations
- Credit memos

[Advanced Revenue Management](#)

ORACLE NETSUITE

Revenue Arrangement Management | 69

When you add new line items to the following transaction workflows, new revenue arrangements are created only for those added line items:

- Invoices created from sales orders
- Cash sales created from sales orders
- Credit memos created from return authorizations
- Cash refunds created from return authorizations

How ARM? - Transaction Field Mapping Setup

Where, on your Transactions, does ARM get its data?

- Page: Revenue Recognition Mapping
- Line: Start Date / End Date
- Line: Amount
- Custom fields allowable
- Item: Create Revenue Plans On
- Item: Recognition Schedule

Revenue Recognition Field Mapping

[Save](#) [Cancel](#) [Reset](#)

Revenue Recognition Field Mapping •		
SOURCE RECORD TYPE *	SOURCE FIELD *	TARGET FIELD *
Transaction Line	VF Rev. Rec. Start Date	Start Date
Transaction Line	VF Rev. Rec. End Date	End Date
Transaction Line	VF Rev. Rec. Start Date	Forecast Start Date
Transaction Line	VF Rev. Rec. End Date	Forecast End Date
Transaction Line	Salesforce Bundle ID	Salesforce Bundle ID
Transaction Line	Salesforce Bundle Name	Salesforce Bundle Name
Transaction Line	SFDC Asset ID	SFDC Asset ID
Transaction Line	Salesforce Line Id	Salesforce Line ID (Rev Element)
Add Cancel Insert Remove		

How ARM? - Revenue Arrangements

“Revenue-Centric View” of your “Source” Transaction.

- Non-Posting “Transaction”
- Parent Record: Standalone (Sort-of)
 - Typically, “One Arrangement per Transaction” ; “Merging” possible.
- Each Line maps to a “Revenue Element”
- ASC606 Allocation Notes

Revenue Arrangement

172232 3008051 L.L. INSURANCE

[Edit](#) [Back](#) [Update Revenue Plans](#) [View Revenue Plans](#) [Actions](#)

Primary Information

REVENUE ARRANGEMENT # 172232	<input type="checkbox"/> MERGED INTO NEW ARRANGEMENTS
CUSTOMER 3008051 L < INSURANCE	REVENUE PLAN STATUS Completed
DATE 11/1/2019	<input checked="" type="checkbox"/> TRANSACTION IS ALLOCATION BUNDLE
<input type="checkbox"/> CREATED FROM MERGED ARRANGEMENTS	TRANSACTION TOTAL -1,465.05

Classification

SUBSIDIARY Verifone, Inc.	COST CENTER Other : No Cost Center
CURRENCY US Dollar	PRODUCT LINE AMS360 Online

Revenue Elements [Communication](#) [Related Records](#) [System Information](#) [Custom](#) [Billing](#) [Tax Reporting](#) [Audit](#)

Revenue Element		Allocation Detail		Revenue Arrangement Version		Revenue Arrangement Message		Revenue Summary	
REVENUE ELEMENT	SOURCE	SOURCE DATE	EFFECTIVE START DATE	EFFECTIVE END DATE	ITEM	ORIGINAL QUANTITY	QUANTITY	DECOMMISSION LINE	DECOMMISSION QUANTITY
979085	Credit Memo #66921	9/26/2019			PreZAB_SW-S-CR-360-2001	-0.66667	-0.66667		
979119	Credit Memo #66921	9/26/2019			PreZAB_SW-S-AD-360-4000	-0.08333	-0.08333		

How ARM? - Revenue Elements

- Non-Posting
- Cannot be modified.
- Parent Record: RevArrangement (Sort-of)
- One Revenue Element for each line on source transaction.
- Searched via “Revenue Element”
- Custom Fields allowed.

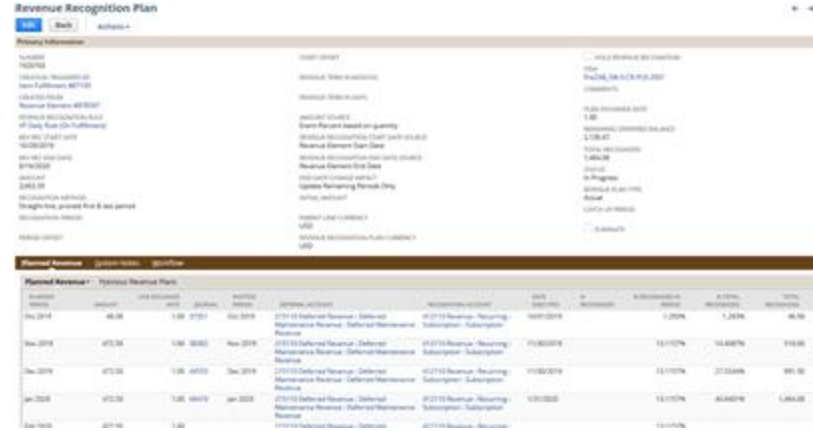
A gateway record to store “Planned Revenue”.

- [illegible]

How ARM? - Revenue Plan Planned Revenue

Schedule of past and future revenue to recognize for this RevPlan / RevElement.

- Not really an accessible “record” in Netsuite
- “Planned Period” vs “Posting Period”
- Past actuals tie to Journal records.



The screenshot displays the 'Revenue Recognition Plan' interface in NetSuite. It includes a 'Planned Revenue' table with columns for 'Period', 'Amount', 'Revenue Element', and 'Revenue Element Sub-Element'. The table shows data for various periods, including 'Dec 2018', 'Jan 2019', and 'Feb 2019'. The 'Revenue Element' column lists items like '2019-10 Subcontract Revenue - Subcontract' and '2019-10 Subcontract Revenue - Subcontract'. The 'Revenue Element Sub-Element' column lists items like '2019-10 Subcontract Revenue - Subcontract' and '2019-10 Subcontract Revenue - Subcontract'. The 'Amount' column shows values like 45.00, 475.00, and 475.00. The 'Period' column shows dates like Dec 2018, Jan 2019, and Feb 2019. The table also includes a 'Total' row at the bottom.

Period	Amount	Revenue Element	Revenue Element Sub-Element
Dec 2018	45.00	2019-10 Subcontract Revenue - Subcontract	2019-10 Subcontract Revenue - Subcontract
Jan 2019	475.00	2019-10 Subcontract Revenue - Subcontract	2019-10 Subcontract Revenue - Subcontract
Feb 2019	475.00	2019-10 Subcontract Revenue - Subcontract	2019-10 Subcontract Revenue - Subcontract
Total	995.00		

How ARM? - Revenue Journals

Minimal differences from regular Journals except, ARM creates these.

- GL Posting!
- Page: Create Revenue Journals
- Associated with “Revenue Plan” records.
- Note! User Guide Topic “Editing an Advanced Revenue Recognition Journal Entry”

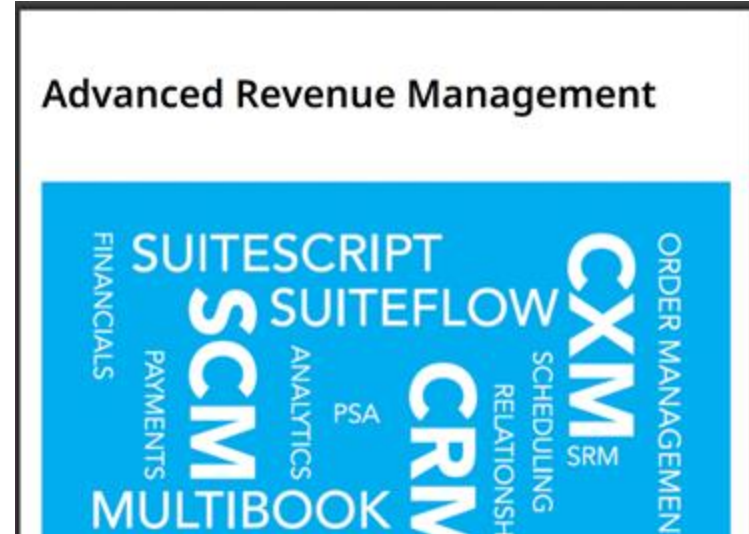
The screenshot displays the Jovian ARM system interface. At the top, a status bar indicates '38382 APPROVED FOR POSTING CREATED FROM REVENUE RECOGNITION SCHEDULE'. Below this, a 'Primary Information' section shows details like 'DATE: 11/30/2018', 'FISCAL YEAR: Nov 2018', and 'APPROVAL STATUS: Approved'. A 'Classification' section lists '100000000' and 'Revenue, Inc.'. The main part of the screen is a table with columns for 'Line', 'Description', 'Debit', 'Credit', 'Balance', 'Tax', 'Agency', 'Plan', 'Rate', 'Status', and 'Amount'. The table contains several rows of data, including '215110 Deferred Revenue', 'Deferred Maintenance Revenue', and '215110 Revenue - Recurring Subscriptions'. A red box highlights the 'Amount' column, showing values like '1000000.00', '1000000.00', and '1000000.00'.

Line	Description	Debit	Credit	Balance	Tax	Agency	Plan	Rate	Status	Amount
215110	Deferred Revenue	0.00	0.00	1000000.00	PL	Agency	Other - No Cost Center	PL Rating	Verified	1000000.00
215110	Deferred Maintenance Revenue	0.00	0.00	1000000.00	PL	Agency	Other - No Cost Center	PL Rating	Verified	1000000.00
215110	Revenue - Recurring Subscriptions	121.77	121.77	1000000.00	PL	Agency	Other - No Cost Center	PL Rating	Verified	1000000.00
215110	Deferred Revenue	121.77	121.77	1000000.00	PL	Agency	Other - No Cost Center	PL Rating	Verified	1000000.00
215110	Deferred Maintenance Revenue	15.78	15.78	1000000.00	PL	Agency	Other - No Cost Center	PL Rating	Verified	1000000.00
215110	Revenue - Recurring Subscriptions	15.78	15.78	1000000.00	PL	Agency	Other - No Cost Center	PL Rating	Verified	1000000.00

ARM Business Processes

What new Business Processes are introduced with ARM?

- Create Revenue Arrangements
- Create Revenue Plans
- Create Revenue Journals
- Create Reclass Journals
- Period Close Process



ARM Process - Update Revenue Arrangements

Netsuite Process used to create and Update Revenue Arrangement Transactions

- Page: Update Revenue Arrangements
- Updates AND Creates Revenue Arrangements
- Updates AND Creates Revenue Elements
- Note: This can be scheduled in global setup.

Update Revenue Arrangements and Revenue Plans

[Refresh](#) [Update Revenue Arrangements](#) [Update Revenue Plans](#)

Criteria

SOURCE FROM

SOURCE TO

Status

DATE CREATED FROM TO

SOURCE RECORD TYPE: (Dropdown menu open showing: All, - All -, Project Revenue Rule, Third Party, Transaction Line)

SUBMISSION ID	PROCESS TYPE	SUBMISSION STATUS	PERCENT COMPLETE	MESSAGE
No records to show.				

[Refresh](#) [Update Revenue Arrangements](#) [Update Revenue Plans](#)

ARM Process - Update Revenue Plans

Netsuite Process used to create and Update Revenue "Plan" Records

- Page: Update Revenue Arrangements
- Creates and Updates Revenue Plans and "Planned Revenue"
- Must run AFTER "Update Revenue Arrangements"

Update Revenue Arrangements and Revenue Plans

[Refresh](#) [Update Revenue Arrangements](#) [Update Revenue Plans](#)

Criteria

SOURCE FROM

SOURCE TO

Status

DATE CREATED FROM TO

3/17/2025 3/17/2025

SOURCE RECORD TYPE

- All
- All -
- Project Revenue Rule
- Third Party
- Transaction Line

SUBMISSION ID	PROCESS TYPE	SUBMISSION STATUS	PERCENT COMPLETE	MESSAGE
No records to show.				

[Refresh](#) [Update Revenue Arrangements](#) [Update Revenue Plans](#)

ARM Process - Create Revenue Journals

Netsuite Process used to create Journal Entries which are directly related to Planned Revenue

- Page: Create Revenue Journal
- Run this AFTER "Update Revenue Plans"

The screenshot displays the 'Create Revenue Recognition Journal Entries' interface. At the top, there are two tabs: 'Create Journal Entries' (active) and 'Estimate'. The form is divided into several sections:

- Posting Period:** A dropdown menu set to 'Mar 2024'.
- Include Prior Periods:** A checkbox that is checked.
- Journal Entry Date:** A date field set to '3/31/2024'.
- Subsidiary:** A dropdown menu set to 'Vertafore, Inc.'.
- Transaction Type:** A dropdown menu set to '- All -'.
- Customer/Project:** A dropdown menu set to '<Type then tab>'.
- Select Individual Schedules:** A checkbox that is unchecked.
- Item Type:** A dropdown menu with a list of options: '- All -', 'Assembly/Bill of Materials', 'Download Item', 'Inventory Item', 'Kit/Package', 'Non-Inventory Item', and 'Other Charge'. The 'All' option is currently selected.
- Target Account:** A dropdown menu set to '<Type then tab>'.
- Deferral Account:** A dropdown menu set to '- All -'.
- Transaction Date:** A date field set to 'All'.
- From:** A date field.
- To:** A date field.

Below the form fields, there is a section titled 'Revenue Recognition Plans' with a table that has two columns: 'SOURCE TRANSACTION' and 'ITEM'. The table currently shows 'No records to show.'.

At the bottom of the form, there are two tabs: 'Create Journal Entries' (active) and 'Estimate'.

ARM Process - Create Reclass Journals

Moves balances between DR (liability) and Unbilled (asset) depending on recent revrec and billing activities.

- Page: Create Reclass Journal Entries
- Run this AFTER “Create Revenue Journal”
- Time Saver for managing “Unbilled Receivables” balances.

Create Reclassification Journal Entries

Create Journal Entries

POSTING PERIOD
Feb 2025

JOURNAL ENTRY DATE
2/28/2025

SUBSIDIARY *
Parent Company

TRANSACTION TYPE
- All -
Return Authorization
Revenue Arrangement
Sales Order

ARM Process - Period Close

You will see the above new steps when you close any period.

- All steps from above in concise steps.
- Create Revenue Arrangements
- Create Revenue Plans
- Create Revenue Journals
- Reclass Revenue Journals

Period Close Checklist: Feb 2025











PERIOD NAME

Feb 2025

STATUS

Open

Notes

GO TO TASK	TASK
	Lock A/R
	Lock A/P
	Lock All
	Create Intercompany Adjustments
	Revalue Open Foreign Currency Balances
	Recognize Revenue
	Reclassify Revenue
	Calculate Consolidated Exchange Rates
	Eliminate Intercompany Transactions
	Close

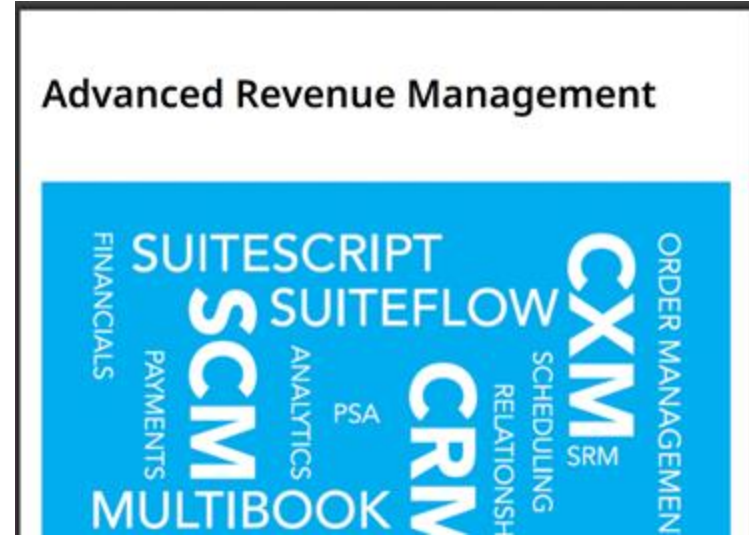
Closing Thoughts: Considerations and Caveats

Considerations:

- Have a Solid Billing Process
- Planning your Item Records around ARM.
- ARR Reporting vs ASC606 Reporting
- Running (most) ARM Processes BEFORE Month-End

Caveats:

- “ARM Errors” are particularly cryptic.
- ARM Journals are not super helpful in searches.
- “Revenue Plan Planned Revenue” is not easily accessible.



Netsuite Revenue and “ARM”

Netsuite Revenue and "ARM"

March 19, 2025

Mike Kachline mkachline@gmail.com

