

Revenue Recognition under SOP 81-1 Experience

Written by Nick Sanders

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- Co-Author, "Renewed Focus on Earned Value Management" (Thomson-West 2007 Government Contracts Year-in-Review Conference)
- Author, "Program Performance Measurement" (PwC). Published on "Where in Federal Contracting" website (www.wifcon.com).
- Certified Government Financial Manager (CGFM), Association of Government Accountants
- Led internal audit team at a division of a "Top 10" defense contractor, assessing revenue recognition under SOP 81-1.
- Led an internal audit team to evaluate FAR/CAS compliance at a multi-billion dollar engineering and construction entity, including evaluating adequacy of Disclosure Statement, corporate cost allocation methodology, and frequency of indirect cost rate update. Identified potential revenue recognition problems. Recommended changes designed to improve compliance and to increase cash flow.
- For an AbilityOne contractor, provided advice and assistance on transition into negotiated cost-reimbursement contracting. Efforts included development of initial cost allocation structure, identification of unallowable costs, indirect cost rate calculations, and assistance in negotiating the new methodology with DOD contracting officers. Also consulted on contract financing opportunities, cash flow enhancement, and resolution of disputes on individual contracts. Also provided support on revenue recognition issues associated with entity's external audit.
- For a publicly traded aerospace/defense contractor, provided SME support to external audit, in connection with revenue recognition under SOP 81-1, analysis of reserves associated with DCAA audit findings and other disputes with the Government, and program management issues. Also provided training to external audit staff in the areas of revenue recognition and testing, EVMS, and applicable CAS and FAR requirements.