

Revenue Case Study

Case #1

FACTS:

On July 1, 2018 NFP receives a Foundation grant in the amount of \$250,000 to provide housing support to low income families. The grant requires NFP to provide housing support to at least 50 families during the fiscal year ending June 30, 2019 (\$5,000 per family) with specific targets to be met each quarter. Foundation will pay \$62,500 each quarter if NFP demonstrates the targets have been met.

Is this revenue conditional? Is this revenue restricted? When will revenue be recorded and at what amount?

Case #2

FACTS:

On August 15, 2018, Foundation grants NFP \$50,000 for the 2018-2019 school year in response to NFP's application for funding related to the after school recreation program. NFP's application for funding included a specific line item budget and quarterly grant report is due to the Foundation. At the end of the grant period, Foundation requires a narrative report of program accomplishments and final accounting of how the \$50,000 was expended (budget to actual).

Is this revenue conditional? Is this revenue restricted? When will revenue be recorded and at what amount?

Case #3

FACTS:

NFP is a cancer research organization that receives revenue from a variety of sources, including foundations, individuals and the government. A State University grant for \$100,000 is sponsoring a specific research effort and related clinical trial. At the conclusion of the research effort and trial, a detailed report of the study's results will be published. As in customary in these arrangements, the rights to the study will belong to the University. So that the trial can proceed without interruption, University provided the entire \$100,000 sponsorship to NFP upon signing the agreement.

Is this revenue conditional? Is this revenue restricted? When will revenue be recorded and at what amount?
