

PROCEDURE

Series:	Fiscal Management	COA : FIN 4, FIN 7.01 – 7.03
		CFOP:
Procedure Name:	Revenue Recognition	
Procedure Number:	FM204	
Reviewed Date:	2/23/15, 10/22/15, 04/16/24, 11/11/25	
Revision #/	(1) 2/09/09 (2) 7/01/10 (3) 08/11/2020	
Effective Date:	7/01/07	
Applicable to:	Finance Department Staff	

PURPOSE: To define the types of revenue received by all agencies and outline the recording of these revenues in accordance with Generally Accepted Accounting Principles and other regulatory requirements.

References

Policies/Procedures: GOV-202-Internal Controls, GOV-208-Accounting Practices

Generally Accepted Accounting Principles (GAAP)

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-25 Not for Profit Entities: Revenue Recognition: Recognition

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-55 Not for Profit Entities: Revenue Recognition: Implementation Guidance and Illustrations

Department of Children & Families (DCF) Contract

Definitions

Contribution: An unconditional transfer of funds or other assets or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Exchange Transaction: Funds earned from providing services or when merchandise is sold.

Funds/Revenue: A supply of money or pecuniary resources.

Qualified Sponsorship Payment: Any payment made by any individual or entity engaged in a business where there is no arrangement or expectation that the sponsor will receive any substantial return benefit other than the use or acknowledgment of the sponsor's name, logo, and product lines in connection with the activities of the tax-exempt organization that receives the payment.

Scope

It is the practice of all agencies to determine whether funding sources should be treated as exchange transactions or contributions. Further, a determination must be made on whether funds are restricted, unrestricted, temporarily restricted, or permanently restricted according to donor-imposed restrictions and/or conditions. Upon defining the dominant criteria, the agencies recognize funds as revenue in accordance with GAAP specific to Not-For-Profit Organizations (NPO), further defined by ASC 958-605-25, ASC 958-605-55, and/or other authoritative resources.

Exchange Transaction - Revenue

Funds earned in an exchange transaction are recorded as revenues at the time of delivering the service or the merchandise. Funding received in an exchange transaction prior to the delivery of the service or merchandise will be treated as deferred revenue until documentation from financial transactions can be provided to substantiate that the funds have been earned.

Contribution - Revenue

The agencies may receive funds that require no reciprocation or delivery of service and/or merchandise. These funds are treated as contribution revenue as defined by ASC 958-605-25. Generally, these funds will be identified as non-government, unrestricted revenues, and are recognized as contribution revenue upon receipt. These revenues may be classified in program specific general ledger accounts for tracking purposes but are essentially unrestricted by non-government contribution revenues unless stipulated by donor-imposed restrictions and/or conditions.

When the agencies receive contribution revenue that is restricted by donor-imposed restrictions and/or conditions, the revenue is recorded as deferred revenue with its applicable restriction, i.e., temporary or permanent, upon receipt. These funds are then recognized as revenue when the donor-imposed restrictions have been satisfied.

BY DIRECTION OF THE PRESIDENT AND
CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
President and Chief Executive Officer
Family Partnerships of Central Florida

APPROVAL DATE: 12/4/2025