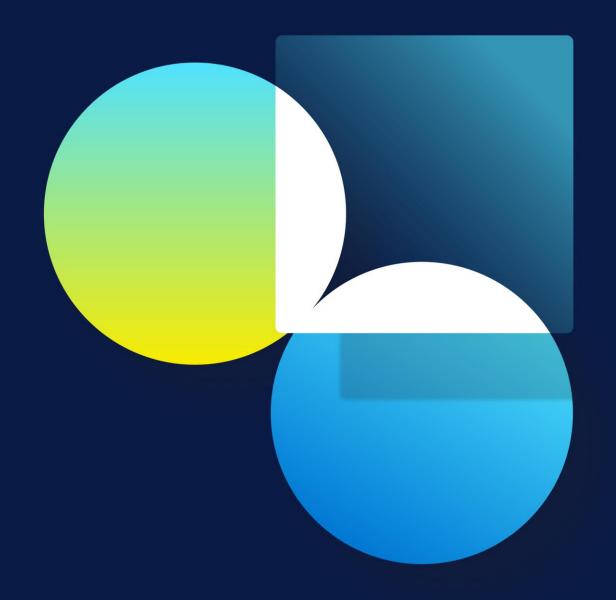Microsoft Dynamics 365

Revenue Recognition migration to Subscription billing

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Agenda

- RevRec and SubBilling parameter mapping

- RevRec and SubBilling entity mapping

- Demo

- Roadmap

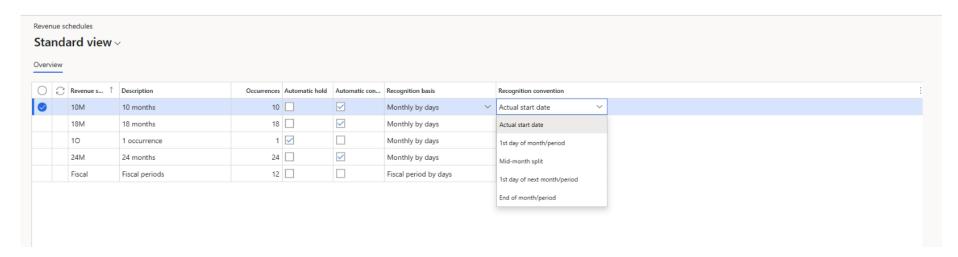# Configuration mapping between Subscription billing and Revenue Recognition

Subscription billing	Revenue Recognition	Notes
Deferral template with Period frequency	Recognition basis	In RevRec – Monthly by days, Monthly, Occurrences, or Fiscal period by days In SubBilling – Daily, Monthly, Fiscal periods
Equal amounts per period		Parameter that will either pro-rate the amount by the number of days in a month or not
Period length	Occurrences	Number of period is specified frequency
	Automatic hold	Marking **Automatic hold** will automatically put all revenue schedule lines on hold when the invoice is posted. Deferral schedules can be placed on hold individually, but do not have an option to be created in an on hold state.
	Automatic contract terms	Post contract support (PCS) items will have the contract start date set to the sales order line's requested ship date. The end date will be calculated based on the number of months or occurrences on the revenue schedule. A deferral template will set the deferral start date and deferral end date based on the template definition along with the **Default deferral start date**.

Recognition convention scenarios

The **Recognition convention** in Revenue recognition determines the dates that are set on the revenue schedule for the invoice. In Subscription Billing Revenue and expense deferrals, the deferral start date is determined based on the Revenue and expense deferral parameter **Default deferral start date.**

Revenue recognition convention	Revenue and expense deferrals Default deferral start date
Actual start date	Transaction date
1st day of month/period	Beginning of current month
Mid month split	Rule of 15
1st date of next month/period	Beginning of next month
End of month/period	*Override deferral start date on transaction

Revenue Recognition

Revenue schedules
Standard view ∨

Overview

○	⟳	Revenue s... ↑	Description	Occurrences	Automatic hold	Automatic con...	Recognition basis	Recognition convention	⋮
✓		10M	10 months	10	☐	☑	Monthly by days ∨	Actual start date ∨	
		18M	18 months	18	☐	☑	Monthly by days	Actual start date	
		1O	1 occurrence	1	☑	☐	Monthly by days	1st day of month/period	
		24M	24 months	24	☐	☑	Monthly by days	Mid-month split	
		Fiscal	Fiscal periods	12	☐	☐	Fiscal period by days	1st day of next month/period	
								End of month/period	

Subscription Billing

Standard view ∨
Revenue and expense deferral parameters

General

Number sequences

Set up revenue and expense deferrals

SCHEDULE
Equal amounts per period
● Yes

Sales discount deferral option
Separate schedule for disco... ∨

Purchasing discount deferral opti...
Separate schedule for disco... ∨

Default deferral start date
Transaction date
Transaction date
Beginning of current month
Beginning of next month
Rule of 15

Consolidate prior periods
○ No

Short-term deferral method
Rolling periods ∨

Deferral posting method
● Balance sheet
○ Profit and loss

Reverse profit and loss on credit
● Yes

RECOGNITION
Automatically post general journ... ○ No

Summarize recognition journal
○ No

Default journal name
GenJrn ∨

Recognition journal line descripti...
Originating transaction det... ∨

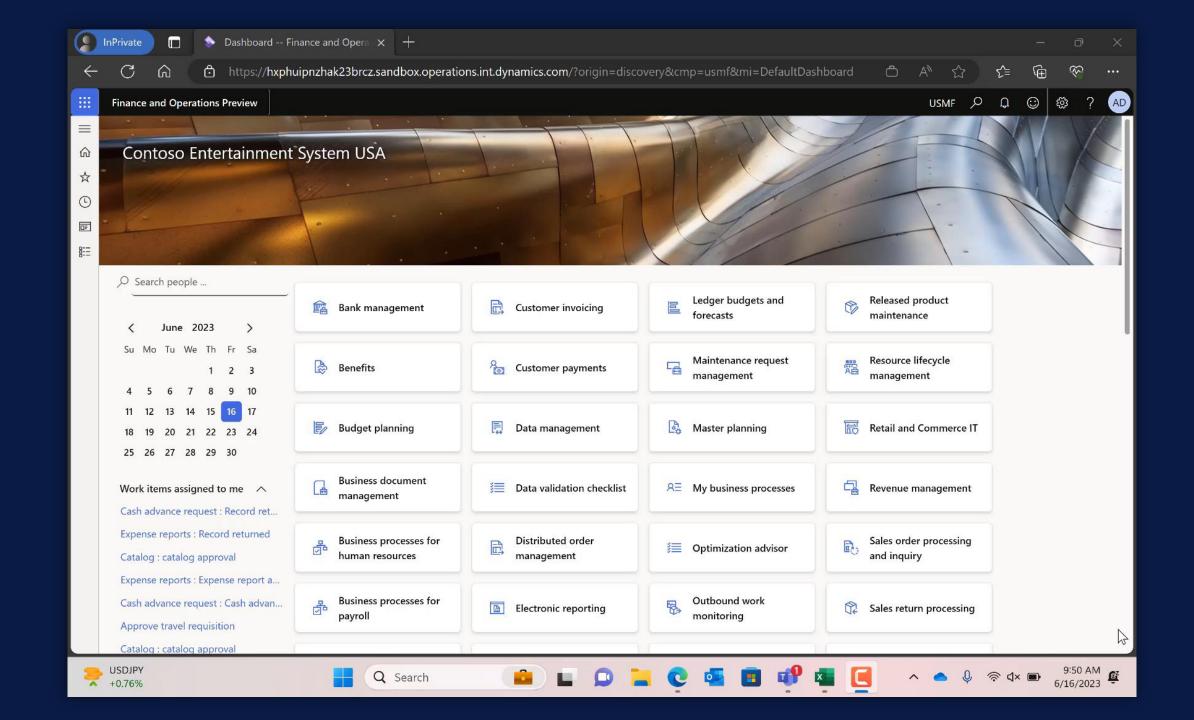# Entity mapping

Subscription billing deferral table (SubBillDeferralScheduleTableEntity)	Deferred line (RevRecDeferredLineEntity)	Notes
Deferral schedule number		Specify the number, or copy the sales order number, which was the revenue schedule number in Revenue recognition.
Schedule type		Straight line or event-based.
Description	Revenue schedule description	
Deferral account	Deferred revenue account	The value must match the dimension structure for integrating applications. Empty dimensions must be shown with a delimiter.
Recognition Account	REVACCOUNT	The value must match the dimension structure for integrating applications. Empty dimensions must be shown with a delimiter.
Recognition type		Credit for revenue schedules and debit for consumption.
Date	Date of invoice	
Start date		The deferral start date.
End date		The deferral end date.

Demo

Moving in process revenue schedules to a deferral schedule in Revenue and expense deferrals

Important dates

Revenue Recognition deprecation – part 1

Bug fixes are no longer accepted

"Product bundle" General availability

10.0.36 release train*

Planned to be released as the "as-is" bundle feature we have in RevRec

Revenue Recognition deprecation – part 2

Revenue Recognition is no longer supported in D365 Finance

April 2023	Spring 2023	Summer 2023	Summer 2023	October 2023*

New "Product bundle" feature private preview

10.0.34 and 10.0.35 release trains*

Project accounting integration with Subscription billing Deferrals

10.0.36 release train*

*may be subject to change

Subscription billing roadmap

Future	MERA enhancements – credit notes	Project integration – Expense report, Timesheet, Purchase order invoice, Item requirements	Deferrals for stocked service items	Inventory close/recalculation adjustment to COGS
June 2023	Reporting, Insights and Analytics Revenue and Expense deferrals Enhanced recurring billing Complex price management – consumption, tiered, etc.			

Resources

[Migrate Revenue recognition to Subscription billing - Finance | Dynamics 365 | Microsoft Learn](#)

[Subscription billing overview - Finance | Dynamics 365 | Microsoft Learn](#)

[Subscription Billing – Dynamics 365 Finance Series - Microsoft Dynamics Blog](#)

[Subscription Billing in Yammer](#)

[Product Bundle in Dynamics 365 SCM | Microsoft Learn](#)

Thank you

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