Notes from Michelle conversations and emails

## Rev Recognition type B

* **POB Type** determines how we recognize revenue.
  + Started using this field in 2019
  + IR-NA never hits deferred
  + CR consumption of services
  + RR – ratable
  + Non-Allocable – not negotiated, sold for list price (no discount)
* **Contract Duration** in Months – most type B are 12 months.
  + In reality, if these services are not used within the end of the 12 months the sales people will give the customers an additional 90 days to get the services done

## Rule for Bill Date for ZCCs

* Does not look good anymore
* Use start date and end datet of the contract
* NOTE: POB Type of IR-NA is recognized immediately and does not go to revenue.

## Billing Blocks

* In the unbilled backlog, if there is a block on, it will never be billed
* Block codes
  + 31 – high value connect tack
  + NOTE: Michelle will provide me with a list of the blocks so I have it later

## ZCSB Type orders

* 11 – credit card declined
* 30 Subscription POSA credit (save offer)
* 31 Subscription Block
* 32 Subscription PUF Cancel
* 35 Subscription Free Trial Period (save offer)

## Type A Billings

* Config Type determines rebillings
  + MTHLY – bills month to month
  + 1Y
    - Sub term = 12 then billed monthly
    - Sub term = 1 then billed annually
  + 2Y
    - Sub Term = 12 then billed annually

## Type D Billings

* YM - monthly
* YX - yearly with a step period (pro-rated first year payment, then annual payments)
* YY – Quarterly step period (pro-rated first quarter payment, then annual after that)
* QUESTION: How do I use POB Type?

NOTE: Type D billings now include sales type ZCC, so there is no need to get this information anywhere else. (Change made in 2019)

* ZCAR is excluded from the waterfall for type D
  + These are gift cards and redemption business that get placed somewhere in the waterfall. (12/31/2025 we think is the date they get moved to revenue)
  + ZCAR billings may have zero USD associated with them, but they have a document currency value.

# WHAT IS NOT IN UNBILLED BACKLOG

* PUF – paid up front (NOT SURE WHAT FIELD THIS IS?)
* ABM – NO idea what this is (‘shows up before’)
* MZM – Not (no idea)
* BLOCK CODES (see above)
* Bill Plan Tables

Michelle Email from 7/23/20

* Seeing 2,400 deferred billings with no revenue recognition type.
  + “Stock Credit Packs”
    - Deferred revenue to account 2288500, but manual deferred (not automated deferred).
    - Sales doc types ZL05 and ZDCR
      * ZL05 – consumption revenue (type B that gets used)
      * ZCDR – overages that are immediate revenue.
  + Sales Document Type ZOTM
    - Does not have a revenue recognition type, but it is considered immediate revenue
* Seeing 5,000 Type D billings with no rebill rule
  + Some type D are not type D billings
    - Sales Document Types ZCDR and ZCCR
      * These are self-cancellation debit memos
      * WHAT THE HELL DOES THAT MEAN

WHEN DO I USE POB TYPE???

NOTE: 4/1 JPY billings were way off.

Michelle thinks this id due to two major customers not renewing their contracts.

* Nissan was upwards of 900M JPY and billed every year since 2014 on 4/1 but not this year
* Recruit Holdings was upwards of 300M JPY and was also billed on 4/1 since 2014 but we lost this customer as well.