

**CHAPTER 5**

**REVENUE**

0501 GENERAL. Revenue consists of cash or credit sales of goods and services as a result of operations by the NAFI. Under the accrual method of accounting, revenue is recorded on a consistent basis in the appropriate cost center in the accounting period in which the revenue is earned. Revenue will be recorded in accordance with the appropriate Service appendix.

050101. Revenue shall be recognized when it becomes realizable with reasonable practical certainty; that is, when the receiving accounting entity acknowledges a claim against its resources or the performing accounting entity has an enforceable claim.

050102. Revenue shall be recorded in the financial records, collected promptly, and deposited in the appropriate bank account. Amounts received in advance of performance, however, shall be accounted for as unearned revenues until performance is accomplished.