TRANSACTION ACCOUNTING · INTEGRATION

First 90 Days Post-Acquisition Integration Checklist

A prioritized accounting roadmap from Day 1 through your first integrated close. The decisions made in the first 90 days define the integration for years.

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Why the First 90 Days Are Different

Accounting integration decisions made in the first 90 days are harder to undo than almost any other business decision. Chart of accounts structure, purchase accounting elections, and opening balance sheet positions set the baseline for every comparison and covenant calculation that follows.

> *The goal of the first 90 days is not perfection — it is a documented, defensible starting point that your auditors can build on.*

Days 1–15: Stabilize the Books

- ■ Access obtained to all financial systems: GL, AP, AR, payroll, banking, and T&E;
- ■ Accounting function ownership identified — who is responsible for each task
- ■ Last close date confirmed and status of any open periods or unposted transactions reviewed
- ■ Trial balance as of acquisition date obtained — this is the opening balance sheet baseline
- ■ Financial reporting obligations identified: lender reporting, tax deadlines, audits in process
- ■ Banking arrangements transferred: signatories, payment authorities, and positive pay setup
- ■ Outstanding vendor and customer disputes, credits, and open negotiations documented
- ■ Payroll confirmed — first payroll after close must run on time without exception

Days 1–30: Purchase Accounting Under ASC 805

- ■ Engage valuation firm if intangible assets are material (customer relationships, trade names, technology)
- ■ Tangible assets requiring fair value step-up identified: fixed assets, inventory, real property

- ■ All liabilities requiring fair value remeasurement identified: debt, deferred revenue, contingencies
- ■ Deferred revenue remeasured at fair value — typically a fraction of contractual amount under ASC 805
- ■ Contingent consideration (earnout) measured at fair value at acquisition date
- ■ Purchase price allocation (PPA) documented — must be completed within measurement period (up to 12 months)
- ■ Goodwill calculated as purchase price minus fair value of net identifiable assets
- ■ All purchase accounting elections documented — cannot be revised after measurement period closes

Days 15–45: Chart of Accounts and System Setup

- ■ Acquired entity's chart of accounts mapped to parent COA line by line
- ■ Integration approach decided: absorb into parent COA, maintain separate, or hybrid
- ■ Intercompany accounts established — every intercompany transaction requires an offsetting entry
- ■ New entities added to parent consolidation system with correct currency, fiscal year, and ownership
- ■ User access rights established with appropriate segregation of duties
- ■ Existing contracts, leases, and subscriptions reviewed for ASC 842 and ASC 606 implications
- ■ Capitalization policy, depreciation method, and useful lives harmonized or differences documented

Days 30–60: First Integrated Close

- ■ First close calendar established with acquired entity staff: roles, deadlines, and dependencies
- ■ Opening balance sheet reconciliations completed, reviewed, and signed off
- ■ Intercompany eliminations tested: parent's investment in subsidiary agrees to subsidiary's equity
- ■ Consolidation mapping tested: each acquired entity account rolls to the correct parent line
- ■ Revenue recognition assessed under parent's ASC 606 policies — policy differences identified
- ■ Accounting policy differences documented with a harmonization timeline
- ■ Draft consolidated financial statements prepared and reviewed before distribution
- ■ Flux analysis prepared comparing first integrated period to pre-close expectations

Days 60–90: Reporting, Controls, and Audit Preparation

- ■ Acquired entity's reconciliation templates standardized to parent format
- ■ Close calendar followed consistently for two full cycles — issues documented and remediated
- ■ Journal entry review process extended to include acquired entity's entries
- ■ Lender reporting prepared on consolidated basis and reviewed against covenant definitions
- ■ Tax advisor engaged on acquisition structure, stepped-up basis elections, and filing requirements

- Integration progress reported to deal sponsors with open items and resolution timeline
- Audit preparation begun: PBC package design, auditor kickoff meeting scheduled

Common Integration Accounting Errors

Error	Why It Matters
Deferred revenue not remeasured at fair value	Under ASC 805, acquired deferred revenue is not carried over at book value. Failure to remeasure creates revenue overstatement in post-acquisition periods.
Chart of accounts mapped incorrectly	A COA mapping error affects every financial statement comparison from acquisition date forward. Test the mapping before going live.
Earnout not remeasured at fair value each period	Contingent consideration must be remeasured each reporting period. Changes go through earnings — not goodwill.
Intercompany transactions not eliminated	Sales, loans, and management fees between entities must be eliminated in consolidation.
Measurement period adjustments booked incorrectly	Adjustments to provisional amounts are retroactive to the acquisition date — not current period income or expense.

Need integration accounting support?

VAO CPA provides post-acquisition integration, purchase accounting under ASC 805, and first-close support for companies completing lower middle market acquisitions.

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