

Does Your Company Need To Report Fair Values or Related Disclosures This Year?

It's not always easy to know. Whether you are working with internal auditors or external valuation professionals, it's helpful to know which topics may be on the table for you. Use this chart as a general guide to the valuation topics you may need to discuss with your audit team. Early identification of a fair value issue can save you time and money during your financial audit period. This chart can help you preemptively discuss the noted topic with your auditors to confirm the existence of a fair value issue as well as the documentation and analysis required to determine the fair value or disclosure.

IF in the past 12 months you have:

THEN this accounting guidance will be relevant:

Purchased a business or group of assets	ASC 805 Business Combinations
Issued any stock, options, performance units, or similar equity to employees	ASC 718 Compensation – Stock Compensation
Provided compensation in the form of retirement benefits	ASC 715 Compensation – Retirement Benefits
Purchased equity in another entity	ASC 820 Fair Value Measurement
Entered into any hedging arrangements	ASC 815 Derivatives and Hedging
Issued any stock, options, performance units, or similar as consideration for a..... food or service	ASC 718 Compensation – Stock Compensation
Acquired an asset that may incur future costs to dispose of the asset	ASC 410 Asset Retirement and Environmental Obligations or ASC 420 Exit or Disposal Cost Obligations

IF you currently have listed on your balance sheet:

Goodwill	ASC 350 Intangibles – Goodwill and Other
Trade name, customer relationships, non-compete agreement, technology,	ASC 350 Intangibles – Goodwill and Other or
patents, favorable or unfavorable contract, or other identifiable intangible asset	ASC 360 Property, Plant, and Equipment
Investment or ownership less than 50% of another entity	ASC 820 Fair Value Measurement
Contingent consideration liability	ASC 805 Business Combinations
Financial instruments or securities	ASC 820 Fair Value Measurement
Asset retirement or environmental obligations	ASC 410 Asset Retirement and Environmental Obligations
Assets held for use for future retirement plan payments	ASC 715 Compensation – Retirement Benefits

IF your company's primary objective is:

To invest in other entities (e.g. private equity firm, investment company, etc.)	ASC 820 Fair Value Measurement
To hold a portfolio of financial securities (e.g. stock, debt instruments, etc.)	ASC 820 Fair Value Measurement

IF your company is considering an IPO in the next few years Public versus private company fair value requirements

This chart is intended to provide general guidance for accounting personnel in identifying issues that potentially require fair value assessment and does not guarantee the identification of every fair value issue.