

Technical Accounting for an International Public Company

Client

International Public Company

Services

Technical Accounting

Areas of Expertise

ASC 842

Industry

Pharmaceuticals

Our Challenge

The client's accounting and finance teams were located in multiple countries, with the United States team in charge of the final consolidation of ASC 842 company results. The client utilizes two different ERP systems and one consolidation tool.

The US and international countries did not have the resources to provide dedicated expertise to their internal project team, including staff with technical knowledge of the ASC 842 lease accounting standard.

Unexpected Challenge

Upon completion of the project, the client informed Vaco that they had been purchased by a private-equity firm. The private equity firm requested that the effective date of ASC 842 be rolled back to the date of the acquisition, to be included as part of the Purchase Accounting transaction.

Vaco was able to quickly execute the revision of the original workbook to enable the client to roll back the effective date and include the takedown entries as part of the Purchase Accounting transaction in a timely manner.

Our Solution

Vaco was able to provide a dedicated team with previous experience in implementation of the new lease accounting standard. The Vaco team had previous lease accounting expertise with a similar-sized company and volume of leases. Vaco helped ease the burden of the project by providing:

- Assisted with identifying the complete population of company leases
- Assisted client with the abstraction of leases
- Liaison between external implementation team and client's accounting and finance team
- Responsible for documenting and resolving any project issues as it pertained to the configuration of the new lease accounting tool
- Participated in the design and execution of test cases
- Provided technical knowledge of the new standard to key members of the client's accounting and finance team to ensure proper configuration of the client's lease accounting software
- Prepared the proper documentation from the client's lease accounting software for the external auditors

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