

DEALING WITH SFAS 142

GOODWILL AND OTHER INTANGIBLE ASSETS

Purchase price accounting for financial reporting is defined by SFAS 141, Business Combinations and SFAS 142, Goodwill and Other Intangible Assets. In the process of allocating the purchase price, acquired intangible assets are to be allocated to and reported by reporting unit. Goodwill and other intangible assets are reported at the fair value at the time of the acquisition. Subsequently, goodwill and intangible assets with an indefinite life are to be tested annually for possible impairment. Finally, SFAS 144 addresses accounting for the impairment or disposal of long-lived assets.

The Test:

Step 1: Compare the Fair Value of the Reporting Unit to the Carrying Amount

(if Greater than the Carrying Amount, No Further Analysis)

Step 2: If There is Possible Impairment:

- Value All Tangible and Intangible Assets
- Compare to Fair Value of Reporting Unit
- Determine Value of Goodwill

The Answer:

Marshall & Stevens staff has the experience, knowledge, and insight to efficiently develop Fair Value of:

- **Reporting Units**
- **Liabilities of Reporting Units**
- **Tangible Assets of Reporting Units**
- **Intangible Assets**
- **Goodwill**

We can complete a valuation and establish a timely and practical program to assist in the impairment testing. Our clients span a wide range of industries, providing Marshall & Stevens a broad base of intangible asset valuation experience.

Established in 1932, Marshall & Stevens is a leading full service independent valuation consulting firm serving clients around the world. Marshall & Stevens' valuation professionals have the technical skills and in-depth knowledge of FASB accounting standards, interpretations, pronouncements, SEC issues, IRS Code, and involvement with the Appraisal Issues Tax Force (AITF) to serve your every need efficiently and expertly. Offices are strategically located nationwide to efficiently serve your valuation needs.

Our goal is to consistently exceed the expectations of those we serve

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