



Mergers & Acquisitions (M&A) Financial Due Diligence Checklist 2026

Executive Summary & Deal Overview

Review of the transaction structure, key deal terms, valuation assumptions, and high-level transaction timeline.

Transaction Name

Write something...

Target Closing Date

Enter date...

Deal Structure Type

- ☐ Asset Purchase
- ☐ Stock Purchase
- ☐ Merger
- ☐ Reverse Triangular Merger

Estimated Deal Value

Enter a number...

Transaction Overview & Strategic Rationale

Write something...

Letter of Intent (LOI)

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Lead Auditor Approval

Historical Financial Statement Verification

Audit of audited financial statements, including balance sheets, income statements, and cash flow statements for the past 3-5 years.

Audit Period Start Date

Enter date...

Audit Period End Date

Enter date...

Audited Financial Statements

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Accounting Standard Applied

- ☐ IFRS
- ☐ US GAAP
- ☐ Other

Total Historical Revenue (Last FY)

Enter a number...

Verified Statement Components

- ☐ Balance Sheet
- ☐ Income Statement
- ☐ Cash Flow Statement
- ☐ Notes to Financial Statements

Significant Accounting Discrepancies

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Reviewer Authentication

Revenue & Quality of Earnings (QofE) Analysis

Verification of revenue recognition policies, customer concentration risks, and identification of one-time or non-recurring items affecting EBITDA.

Revenue Recognition Policy Overview

Analysis of Non-Recurring Income/Expenses

Total Annualized Revenue (Current Year)

Revenue Concentration Risk Factors

- ☐ High Customer Concentration (>10% per client)
- ☐ High Product/Service Concentration
- ☐ Geographic Concentration Risk
- ☐ Seasonal Revenue Fluctuations

Revenue Breakdown by Product/Service Line

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Revenue Growth Trend

- ☐ Increasing
- ☐ Stable
- ☐ Decreasing

Balance Sheet & Asset Integrity

Deep dive into working capital, accounts receivable aging, inventory valuation, fixed asset registers, and debt obligations.

Audit Completion Date

Enter date...

Fixed Asset Register (Current Year)

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Total Verified Net Working Capital

Enter a number...

Identified Asset Discrepancies

- ☐ Inventory Mismatch
- ☐ Fixed Asset Valuation Error
- ☐ Unrecorded Liabilities
- ☐ Depreciation Error

Summary of Asset Valuation Findings

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Lead Auditor Verification

Tax Compliance & Regulatory Standing

Review of corporate tax filings, sales and use tax nexus, payroll tax compliance, and any pending or historical tax audits.

Last Tax Filing Date

Enter date...

Tax Jurisdiction Scope

- ☐ Domestic Only
- ☐ Domestic & International

Tax Types Subject to Audit

- ☐ Income Tax
- ☐ Sales & Use Tax
- ☐ Payroll Tax
- ☐ VAT/GST
- ☐ Property Tax

Tax Audit Notices

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Unresolved Tax Liabilities

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Tax Compliance Officer Verification

Accounts Payable & Liability Assessment

Examination of trade payables, accrued expenses, litigation contingencies, and any off-balance sheet liabilities.

Total Outstanding Trade Payables Value

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Date of Last Accounts Payable Aging Review

Enter date...

Identified Unrecorded Liabilities

- ☐ Accrued Expenses
- ☐ Unrecorded Legal Contingencies
- ☐ Lease Obligations
- ☐ Pending Litigation Claims
- ☐ Intercompany Payables

Accounts Payable Aging Report (Current)

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Completeness of Accrual Documentation

- ☐ Fully Documented
- ☐ Partially Documented
- ☐ Missing Documentation

Notes on Identified Financial Risks or Discrepancies

Write something...

Due Diligence Lead Verification

Budgeting, Forecasting & Projections

Validation of management's forward-looking financial models, assumption testing, and historical budget vs. actual variance analysis.

Budget Period Start Date

Budget Period End Date

Projected Revenue Growth Rate (%)

Forecasting Methodology

- ☐ Zero-Based Budgeting
- ☐ Incremental Budgeting
- ☐ Driver-Based Forecasting
- ☐ Rolling Forecast

Key Economic Assumptions

- ☐ Inflation Rate Adjustments
- ☐ Currency Exchange Fluctuations
- ☐ Market Demand Volatility
- ☐ Labor Cost Increases
- ☐ Raw Material Price Changes

Financial Projection Model

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Variance Analysis Summary

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CFO/Controller Approval

Internal Controls & Governance Review

Assessment of the target company's financial reporting controls, segregation of duties, and corporate governance policies.

Control Environment Maturity Level

- ☐ Optimized
- ☐ Established
- ☐ Developing
- ☐ Ad-hoc/Non-existent

Identified Control Deficiencies

- ☐ Lack of Segregation of Duties
- ☐ Insufficient Documentation
- ☐ Unauthorized Access to Financial Systems
- ☐ Inadequate Reconciliations
- ☐ None Identified

Detailed Description of Control Gaps

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Internal Audit Reports & Policy Documents

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Reviewer Affirmation

IT Systems & Financial Software Integration

Evaluation of the accounting tech stack, data integrity during migration, and compatibility of ERP systems for post-merger integration.

Current Primary ERP System

- ☐ NetSuite
- ☐ SAP
- ☐ Oracle
- ☐ QuickBooks
- ☐ Microsoft Dynamics 365
- ☐ Other

Software Modules Under Review

- ☐ Accounts Payable Automation
- ☐ Accounts Receivable/Billing
- ☐ Payroll & HRIS
- ☐ Inventory Management
- ☐ Tax Compliance Software
- ☐ Fixed Asset Management

Data Migration Risk Assessment

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Software Architecture & Integration Map

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System Integration Deadline

Enter date...

Estimated IT Integration Budget (USD)

Enter a number...

Post-Merger Integration (PMI) Financial Readiness

Preparation of the combined entity's chart of accounts, reporting timelines, and unified financial closing procedures.

Integration Priority Level

- ☐ Critical
- ☐ High
- ☐ Medium
- ☐ Low

Post-Merger Financial Close Date

Enter date...

Unified Chart of Accounts Modules to Align

- ☐ Accounts Payable
- ☐ Accounts Receivable
- ☐ Fixed Assets
- ☐ Payroll
- ☐ Inventory
- ☐ Taxation

New Entity Legal Name

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Finalized Integration Project Plan

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Identified Financial Integration Risks

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Finance Director Approval

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✓ Finish

 Generate Sample Report