- 3. Please be as specific as possible in your answers.
 - a. Tell us about any issues or concerns you have with current U.S. GAAP accounting standards as those standards apply to private company financial statements.

I do not see the standards themselves as complex. I think that what is difficult is that accountants in the private sector need more education than currently exists to become aware of new rules and to comply with them. In many cases, there is a complete dependence on management and its priorities.

b. Are those issues or concerns confined to one or more specific standards, or are they more systemic?

This is a systemic problem. I have been President of both the FEI and the IMA Chapters in San Diego, and I have worked for large and small companies, and for both public and private companies. There is a reluctance among staff to seek continuing education unless the individual is actively trying to keep a license (CPA, CMA, etc.) or unless the company provides classes on work time at company expense.

c. Do you believe that those issues or concerns are largely confined to private companies, or are they broader?

The concern is broad – it is not simply a private company issue. However, private companies may have not been able to attract as much talent (such as licensees/former licensees) who understand existing standards and proposed changes.

4. What short-term and/or long-term actions do you believe are necessary to address those issues or concerns? Please be as specific as possible in your answer, and explain your reasoning.

Staff needs readily-available, well-written, practical workbooks in "plain English" that lets them step through rule changes – such as plug in the number, get the answer with explanation of each step to the side. This would be even better if the information could be provided in a familiar tool, such as an Excel workbook, until the professional learns the new rules. (It's unrealistic to send most staff back to school: companies may be too small – or not even understand that the Boards are proposing changes.)

5.

a. To what extent, if any, would an SEC requirement for public companies to adopt IFRS at a date certain affect your answers above? Why?

An IFRS mandate would NOT change my answers. Private companies have their own issues, which do not necessarily include mirroring public company requirements per se. Most private companies have a leaner staff than public companies who are trying to meet SEC requirements. I am currently with a large private company that must follow US GAAP to meet lender requirements and auditor expectations. We expect to follow FASB convergence, but I KNOW that inside and outside our company too few people are aware of the change proposals or how to implement them. (Further, much of academia is not prepared to deal with this, either. I have taught at the state college level and know that text books lag, rather than lead with proposed changes.)

b. To what extent, if any, would other outside factors affect your answers above? Which factors and why?

My thoughts above are based on the ability to retrain an existing workforce that has not found relevance in studying FASB or SEC pronouncements, and is not motivated to be active in financial organizations such as FEI, IMA, IIA, AICPA, etc.

6. Is there any other input that you'd like to convey to the Panel?

Of note, the biggest change that industry accountants are NOT prepared for is the proposed change to financial statement presentation ("Preliminary Views on Financial Statement Presentation"). Although this is my opinion — and maybe one for a different discussion — this is one new/proposed standard that is NOT principles based — it is rules based. This comes from having been an officer for a foreign registrant that used an internal format to produce daily P&Ls for each department. The format of the internal P&L did not resemble the company's external format. Creating a common format for external reporting should make statements more auditable and helpful to lenders, but will not make them more relevant to internal users.

7. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated?

This is my personal viewpoint, but due to extensive experience (as an employee, educator, and accounting consultant), I feel my opinion is relevant.