October 15, 2012

To: Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, Connecticut 06856-5116

Via Email: director@fasb.org

From: Tim Chatting

Re: File Reference No. 2012-240

As a preparer of financial statements for a public company in the technology industry, I thank you for the opportunity to comment on Proposed Accounting Standards Update: Comprehensive Income (Topic 220) – Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income.

Question 2: Would an entity incur significant costs because of the proposed requirements for interim-period disclosures? If so, please explain the nature of those costs.

Response to Question 2: Given the shorter period of time available to public companies to prepare 10-Q filings compared to 10-K filings and the fact that some companies do not have automated processes to capture reclassification adjustments, I believe the proposed disclosures should be required for annual periods only. In my view, the broad topic of interim period disclosures needs to be fully discussed as part of the disclosure framework project before issuing any additional disclosure requirements for interim periods.

Question 4: The Board has discussed the possibility of making these proposed amendments effective for public entities as early as for annual reporting periods ending after December 15, 2012, and to delay the effective date for nonpublic entities by one year. Would those effective dates be practicable? If not, please explain why.

Response to Question 4: I believe the effective date for public companies above is possible for annual reporting since disclosures of reclassification adjustments are already required for annual reporting under U.S. GAAP. However, if the Board decides to codify the proposed interim period disclosure requirements, a one year delay in the effective date for interim period disclosures for public companies would allow preparers time to improve their existing processes and become more efficient in capturing reclassification adjustments as needed.

In addition to the questions above, I would also like to comment on the possibility of either refining the definition of reclassification adjustments or providing guidance on the measurement of reclassification adjustments.

The definition of reclassification adjustments in ASC 220-10-20 refers to "items that are displayed as part of net income for a period that also had been displayed as part of other comprehensive income in that period or earlier periods." In addition, the example discussed in ASC 220-10-55-20 refers to a preparer that "follows the practice of recognizing all unrealized gains and losses on available-for-sale securities in other comprehensive income before recognizing them as realized gains and losses in net income. Therefore, the before-tax amount of the reclassification adjustment recognized in other comprehensive income is equal to, but opposite in sign from, the amount of the realized gain or loss recognized in net income." It seems as if the disclosure of reclassification adjustments could include all of the unrealized gains and losses prior to realization in the income statement (including the current reporting period gains and losses) or be limited to amounts that were previously reported in accumulated other comprehensive income. If there are two acceptable methods for disclosing the amount of reclassification adjustments, this could be confusing to users of the proposed disclosures.

Specifically considering available-for-sale securities, it would seem as if it could be useful to the reader of the financial statements to understand how much of the realized gain/loss was due to market activity previously reported in accumulated other comprehensive income and how much was due to current period market activity. Perhaps guidance could be provided that would standardize the measurement of reclassification adjustments or clarify whether the activity in the current reporting period should be considered part of the reclassification adjustment in order to ensure that the benefits of the proposed enhanced disclosures are fully realized by users of financial statements. At a minimum, it seems that an entity's policy for calculating reclassification adjustments should be a required disclosure that accompanies the proposed table under ASC 220-10-45-17 if there are two acceptable methods.

Regards,

Tim Chatting, CPA