



September 27, 2010

Mr. Russell G. Golden, Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via E-mail to rggolden@fasb.org

Audit - Tax - Advisory

Grant Thornton LLP
175 W Jackson Boulevard, 20th Floor
Chicago, IL 60604-2687

T 312.856.0200
F 312.565.4719

www.GrantThornton.com

Re: Due process for Memorandum of Understanding projects

Dear Mr. Golden:

Grant Thornton LLP appreciates the Board's efforts to inform constituents about the proposed Accounting Standards Updates (ASUs) for Memorandum of Understanding (MoU) projects. However, we are concerned about the September 3, 2010 announcement that the proposed ASUs for MoU projects will not include detailed amendments to the *FASB Accounting Standards Codification*[™] (Codification) because the Board decided that such detailed amendments are not necessary for understanding the proposals. We believe that this announcement represents a significant change in the Board's existing due process procedures, which could have a negative impact on the quality and clarity of authoritative GAAP.

Historically, the FASB has exposed for public comment the proposed text that would become authoritative GAAP if adopted by the Board in a final standard. Public exposure of the proposed authoritative text of an accounting standard provides the Board with an opportunity to learn constituents' views on whether

- The decisions reached by the Board are appropriate
- There might be unintended consequences in applying the proposed guidance that the Board did not consider
- The proposed text is consistent with the decisions reached by the Board in developing the proposal and is clear in terms of how it is to be applied
- The accounting literature that would be affected by the document has been appropriately identified and amended

The wording of final detailed Codification amendments is authoritative and usually differs from the wording of any related nonauthoritative ASU descriptions of the nature and effect of those amendments. Those differences exist because authoritative guidance issued by the Board must conform to the format, organization, and drafting conventions of the Codification. In addition,

detailed Codification amendments may not be fully described in the proposed or final nonauthoritative ASU discussion of the amendments. We do not believe that nonauthoritative descriptive information could or should be expected to fully compensate for the effects of any errors or lack of clarity in the related authoritative text that could occur in the codification process. Therefore, we are troubled by the Board's decision to eliminate public exposure of the proposed authoritative text of the detailed amendments to the Codification for MoU projects.

We believe that the Board's public solicitation and consideration of comments on proposed standards, including drafting suggestions to clarify or correct the proposed Codification text, are essential to the development of high quality standards that can be consistently applied in accordance with the Board's intention. Therefore, we suggest that the Board provide adequate public exposure for the detailed amendments to the Codification for MoU projects. For example, the Board could post to the FASB website a near-final staff draft of any MoU project ASU, including detailed amendments to the Codification text, and provide 60 to 90 days for public comment on the draft.

Thank you for your consideration of this matter. If you have any questions, please contact Mark K. Scoles, Partner, Accounting Principles Consulting Group, at 312.602.8780 or Mark.Scoles@gt.com

Sincerely,

/s/ Grant Thornton LLP