AICPA/FAF/NASBA “Blue-Ribbon” Panel Written Submissions from Constituents

The AICPA/FAF/NASBA "Blue-Ribbon" Panel on Standard Setting for Private Companies (the Panel) is seeking written input from constituents in the form of responses to the following set of questions. Your responses will assist the Panel in discussing how accounting standards can best meet the needs of U.S. users of private company financial statements and making recommendations thereon to the FAF Board of Trustees (the Trustees):

... 

3. 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 have always felt that independent CPAs have a duty to users to make an organization’s financial statements as readable (user-friendly) as possible. To have a universal set of standards—be that US GAAP, or some other standard—is a great goal, as long as the interests of users (bankers, potential investors, etc.) is served. To rigidly resist change is folly; US GAAP has continually evolved, and we should welcome improvements to those standards.

4. b) Are those issues or concerns confined to one or more specific standards, or are they more systemic? The concept of ‘fair value’ is nebulous and changeable, but represents an ideal situation for the reader/user of financial statements. Should accountants be involved with such valuations? That seems to invite litigation by interested parties.

   c) Do you believe that those issues or concerns are largely confined to private companies, or are they broader? Much broader. I don’t believe accountants should be in the valuation business when it comes to presenting financial statements.

   Please be as specific as possible in your answers.

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. I would be fine with whatever actions the AICPA/FASB/IFRS takes in their efforts to arrive at universal standards. To have different sets of standards for the US and for the rest of the world makes no sense.

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? I think a well-reasoned date certain would be essential to obtain the goal. Why? Accountants/humans all work better, I think, when faced with deadlines.
b) To what extent, if any, would other outside factors affect your answers above? *If FASB can work well with the international community, that shows our flexibility as Americans. FASB should definitely have a strong voice in helping determine IFRS.* Which factors and why?

6. Is there any other input that you'd like to convey to the Panel? *Thanks for your hard work & efforts to achieve a difficult, worthwhile goal.*

7. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated? *I am a sole proprietor, so they represent my views.*

If you or your organization would like to submit your responses to the questions, please email them to Tim Woo, tswoo@fasb.org, no later than Wednesday, September 15, 2010. All submissions will be considered public and will be posted to this webpage for public viewing. A summary of the responses received through September 15th will also be prepared and distributed to Panel members and participating observers. The summary will also be included as part of the observer notes (publicly available meeting handout) for the Panel’s next meeting, on Friday October 8th, in New York City. To facilitate the staff’s ability to read and summarize the submissions, we ask, notwithstanding our request for specificity, that you please try to be as succinct as possible in your responses to the questions.