October 29, 2012

Via email to director@fasb.org

Technical Director
File Reference No. 2012-230
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Invitation to Comment Private Company Decision - Making Framework

Dear Technical Director:

The Accounting and Auditing Standards Interest Group of the New Jersey Society of Certified Public Accountants (NJSCPA) is pleased to offer its comments on the above referenced invitation to comment. The NJSCPA represents over 15,000 certified public accountants. The comments herein represent those of some of the individuals of our Accounting and Auditing Standards Interest Group only and do not necessarily reflect the views of all members of the NJSCPA.

We understand that the proposed Decision-Making Framework does not extend to not for profits. We believe the Financial Accounting Standards Board (Board) should consider a similar framework for not for profits, as they face similar issues.

Our responses to the specific questions follow.

**Question 1:**
Please describe the individual or organization responding to this Invitation to Comment.

The NJSCPA Accounting and Auditing Interest Group consist of several members in public practice servicing private companies.

**Question 2:**
Has the staff identified and focused on the appropriate differential factors between private companies and public companies?

We feel that the Board has appropriately identified the differences between private companies and public companies.
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Question 3:
Overall, do the staff recommendations result in a framework that would lead to decisions that provide relevant information to users of private company financial statements in a more cost-effective manner?

We believe that the framework will provide information to the users in a more cost-effective manner.

Question 4:
Do you agree that private companies that apply industry-specific accounting guidance generally should follow the same industry-specific guidance that public companies are required to follow because of the presumption that guidance is relevant to financial statement users of both public companies and private companies operating in those industries?

Yes. We agree that private companies should apply industry-specific accounting guidance since it would be relevant to financial statement users of both public companies and private companies operating in those industries.

Question 5:
Do the different areas of the framework appropriately describe and consider the primary information needs of users of private company financial statements and the ability of those users to access management, and does the disclosure area of the framework appropriately describe the “red-flag” approach often used by users when reviewing private company financial statements?

We agree that framework appropriately describes the primary informational needs of users of private company financial statements and the “red-flag” approach is appropriately described.

Question 6:
Has the staff identified the appropriate questions for the Board and the PCC to consider in the recognition and measurement area of the framework?

We believe that the staff has identified the appropriate questions related to the relevance to users. Cost and complexity questions though should be more closely attuned to a cost benefit relationship as it relates to the needs of the user rather than the preparers.

Question 7:
Has the staff identified the appropriate areas of disclosure focus by private company financial statement users for the Board and the PCC to consider?
We agree with the areas of disclosure focus.

**Question 8:**
*Do you agree that, generally, private companies should apply the same display guidance as public companies? If not, why?*

We believe that private companies should apply the same display guidance as public companies.

**Question 9:**
*Do you agree that, generally, private companies should be provided a one-year deferral beyond the first annual period required for public companies to adopt new guidance? If private companies are provided a deferred effective date, do you agree that private company should have the option to adopt the amendments before the deferred effective date for private companies but no earlier than the required or permitted date for public companies?*

Yes. We do believe that private companies should have the option to adopt amendments either one year beyond the first annual period required for public companies or the date required or permitted for public companies.

**Question 10:**
*Do you agree with the staff recommendation that some circumstances may warrant consideration of different transition methods for private companies? If yes, has the staff identified the appropriate considerations for the Board and the PCC to evaluate?*

We agree with the staff recommendations relating to transition guidance and also agree that user reliance should be the driving factors.

**Questions 11:**
*Do you agree with the basis for the Board’s tentative decisions reached to date about which types of companies should be included in the scope of the framework?*

We agree with the Board’s tentative decisions regarding the types of companies which should be included in the scope.

**Question 12:**
*Are there other types of entities that you believe the Board should specifically consider when determining which types of companies should be included in the scope of the framework? If yes, please explain.*

We believe the Board needs to specifically address not for profits, as similar issues relate to such organizations.
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Question 13:

a. Do you think that a private company that elects to apply any difference in recognition or measurement guidance should be required to apply all existing and future differences in recognition and measurement guidance? Please explain your response, including how you separately considered the benefits to preparers of private company financial statements and the effect on users of private company financial statements.

We believe that a private company that elects to apply any difference in recognition or measurement should be required to apply all existing and future differences. This will prevent manipulation of financial information and provide comparability.

b. Do you think that a private company should have the option to choose which differences it applies in all other areas of the framework (disclosure, display, effective date, and transition method)?

As described above, we believe that a private company should not have the option to choose which differences it applies.

Thank you for the opportunity to comment. We are available to discuss our comments at your convenience.

Respectfully submitted,

Renee Rampulla, CPA, Leader
Accounting and Auditing Standards Interest Group
New Jersey Society of Certified Public Accountants

Principal Drafter, Carol Donatiello Ioea, CPA

cc: Thomas Roche, CPA, CGMA, President
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    New Jersey Society of Certified Public Accountants