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LETTER OF COMMENT NO. 13

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

Proposed Statement of Financial Accounting Standards, The Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162 (File Reference No. 1690-100)

Dear Mr. Golden,

I appreciate the opportunity to comment on the proposed FASB Statement, The Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162. I believe that the release of FASB Accounting Standards Codification to become the single authoritative source of reporting standards is a step in the right direction for accounting practice.

Responses to questions put forth by the Board:

1. AICPA TIS Section 5100, paragraphs 38–76, would be applied prospectively for revenue arrangements entered into or materially modified in annual periods beginning on or after December 15, 2009, and interim periods within those years. Do constituents agree with the transition provisions for nonpublic entities that had not previously applied this guidance?

Yes, I do agree that these provisions be applied prospectively to nonpublic companies that have not previously applied this guidance.

2. Do constituents agree with the Board's conclusion that this proposed Statement would not change GAAP except as described in Question 1? If not, please provide specific examples of the changes caused by this proposed Statement.

I do not think that the proposed Statement would not change GAAP except for the implementation of *AICPA TIS Section 5100, paragraphs 38–76* stated in Question 1.

3. Do constituents agree with the July 1, 2009, effective date for this proposed Statement? If not, please provide a detailed explanation of the reason(s) for extending the implementation period.

I agree that the release date, of the July 1, 2009, would be appropriate as long as the codification is readily available and in complete form.

Other comments:

While a step in the right direction, I believe that some issues may arise that have not been addressed. I believe that having only authoritative and nonauthoritative guidance will leave room for applying different guidance to similar situations. When using FASB Statement No. 162 it gives specific direction on how to implement the GAAP Hierarchy. When applying GAAP the use of the category system leaves no room for misconception of which standard is more authoritative than another. With the implementation of the Codification, I believe that there will be more ambiguity on which standard is more appropriate for a given situation. Due to this ambiguity, I believe that from an academic standpoint it is also going to be harder to teach to new accounting students which standards fit a situation better than another.

Over all I believe that the Codification will successfully accomplish the goal that the FASB set out to achieve by simplifying U.S. GAAP. I think that a consolidation of the many thousands of standards and many standard setting bodies will drastically reduce the time spent researching accounting issues. I am look forward to the full implementation of the Codification to assist professionals and academics.

Sincerely,

Matthew G Muller