

JOSEPH A. MACALUSO

GRADUATE STUDENT
BRADLEY UNIVERSITY
JOEMAC24@GMAIL.COM

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



LETTER OF COMMENT NO.

15

File Reference No. 1690-100

Dear Mr. Golden:

I appreciate the opportunity to respond to the Financial Accounting Standards Board's (the "Board") Exposure Draft, *The Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*. As a graduate accountancy student at Bradley University, I believe the proposed modification of FAS 162 provides a much needed simplification of the hierarchy put forth by the original standard. My overall opinion of this replacement standard is not without exception, and I offer the following commentary for your consideration.

- 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? Please explain your answer.**

Yes. The prospective and delayed application of the specified AICPA Technical Information Services (TIS) practice aid paragraphs provides an adequate period for the affected companies to standardize, if necessary, their revenue recognition policies for software and related products. Given the proposed five-month grace period, I do not believe this change will place an undue burden on the affected nonpublic entities.

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.**

Yes. With the noted exception of the guidance mentioned previously, I do not believe the implementation of the *FASB Accounting Standards Codification (ASC)* proposed in the Statement would change GAAP.

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.**

No. The July 1, 2009, implementation of this Standard seems imprudent. While I agree that the implementation of the ASC will not change GAAP, it will significantly affect how practitioners seek out guidance in determining GAAP's application to their enterprise.

I propose a voluntary early adoption option program for those who wish to participate that would begin at the proposed July 2009 implementation date. This would give accounting professionals time to make necessary changes in their research methods before an official adoption of ACS; after this grace period, January 1, 2010, seems like a logical implementation date.

Additional Comments

As a student who has spent a great deal of time navigating the GAAP hierarchy for sources of authoritative guidance over the past five years, I welcome the simpler two-tiered-authoritative and non-authoritative—classification that would be implemented by this proposed Standard. Additionally, with the eventual and inevitable convergence to IFRS, it is prudent that standard setters in the United States work to simplify this country's standards.

I believe accepting this proposed Standard requires practitioners to adapt a new mindset, and accept a new way to look at how GAAP is displayed. In the long-run, while I feel that the adoption of ACS will effect a substantial change in the way that practitioners perform their guidance research, the new-found simplicity will make such searches more efficient.

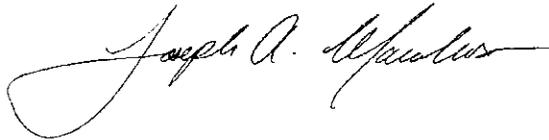
With the proposed adoption of ACS, I particularly welcome the consolidation of the numerous sources of authoritative guidance into one convenient location; this was addressed in paragraph A7 of the Exposure Draft. In the course of my graduate studies, this dispersion made it substantially more difficult to do professional research. I am confident that the consolidation and simplification provided by ACS will make professional research more approachable for students and professionals alike.

The Codification will serve as the authoritative guidance for the entire profession; with this in mind, I believe it incumbent on the Board to provide the entire ACS system to the public. The public—investors, creditors, and others—relies on accounting profes-

sionals to produce financial information that is credible, transparent, and comparable. The accounting profession has a duty to provide the public with access to the guidance used to report that information. At the very least, I hope that the Board will provide free access to ACS for the academic community so that students can utilize it in their professional development and professors can employ it in their development of the profession.

Again, thank you for the opportunity to comment on this proposed Standard. I would be pleased to respond to any questions the Board or its staff may have about any of the preceding comments.

Sincerely yours,

A handwritten signature in black ink that reads "Joseph A. Macaluso". The signature is written in a cursive style with a large, sweeping initial "J" and a long, horizontal flourish at the end.

Joseph A. Macaluso
Graduate Student
Bradley University