Nan Lin, Student 1020 W. Bradley Ave. Peoria, IL, 61606



May 4, 2009

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt
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, which is a replacement of FASB Statement No.162. I support the Board's idea of simplifying the application of GAAP by including authoritative GAAP in one location, and having only one set of authoritative resources, but I disagree with some of the Board's ideas. Therefore, I would like to comment on the three questions that requested 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? Please explain your answer.

I agree with the transition provisions for nonpublic entities that had not previously been applied to this guidance. The proposed Statement would change the U.S. GAAP hierarchy to include only two Levels: authoritative and non-authoritative, rather than four under Statement 162. The Board did not intend to change the overall purpose of the GAAP. Providing specific transition provisions is necessary in this proposed statement for those nonpublic entities that had not previously applied the guidance on AICPA TIS Section 5100, paragraphs 38-76, and it is appropriate for them to apply these changes prospectively.

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 Statements.

I agree with the Board's conclusion that the proposed Statement would not change GAAP, except with respect to guidance related to AICPA TIS Section 5100, paragraphs 38-76, for nonpublic entities. I think the overall goal of this Codification is to simplify the application of GAAP by including authoritative GAAP in one location. The board effectively reached this goal without making an overall change to GAPP.

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

I disagree with the Board about the effective date for this proposed Statement. The Board decided that the Proposed Statement would be effective July 1, 2009, but the guidance related to AICPA TIS Section 51, paragraphs 38-76 would have a later proposed effective date, so I do not think it is necessary to have two different effective dates for the statement. Therefore, I would suggest having same effective date which is December 15, 2009 for both of the Proposed Statements and guidance related to AICPA TIS Section 5100, Paragraphs 38-76. Also, by December 15, 2009 all material related to the proposed statement should be printed and make it available for users at the effective date.

Other comments:

Overall, I like Board's idea of modifying the GAAP hierarchy into only two levels: authoritative and non-authoritative. It effectively achieves the goal of simplifying the application of GAAP by including authoritative GAAP in one location in a consistently organized manner. This will make the research process more efficient because people only need to access to one database to get all the information they need without spending time looking through many different databases for authoritative resources.

Not only that the codification will reduce the amount of time and effort to research an accounting issue, it will keep new standards updated once they are released. Users will be able to get updated standards once they are released in a more timely efficient way. However, all of these benefits are associated with additional costs, including the implementation of a new standard and the cost of users updating the accounting resources material. The AICPA currently does not provide any of its authoritative literature as free downloads, and the price is expensive enough that students are not likely to purchase the entire authoritative literature individually. This authoritative literature helps guide users to proper implementation of accounting standards, so it is just as important as tax codes, which are free for users. Therefore, I suggest that the codification should be a free good and should be available for everyone. There should not be barriers for access to guidance about correct implementation of accounting standards.

As a graduate student, I believe that the Codification is a great tool for research, and I
also believe that the centralized database for financial accounting authority will be very
helpful for research. I really appreciate the Board's effort in structuring all GAAP
literature into a single authoritative codification, making it user-friendly.

Sincerely,

Nan Lin