

PFP Section members and PFS Credential holders

Announcing the new FASB Accounting Standards Codification

The Financial Accounting Standards Board (FASB) has released the FASB Accounting Standards Codification™ for a 1 year verification period during which constituents will provide feedback. After this period, the FASB is expected to approve the Codification as the single source of U.S. Generally Accepted Accounting Principles (GAAP), superseding all non-SEC content used to populate the Codification. The AICPA supports the Codification because it organizes and simplifies the U.S. GAAP.

What is the FASB Accounting Standards Codification?

The new FASB Accounting Standards Codification has organized thousands of accounting pronouncements – including those of FASB itself, the AICPA, and the Emerging Issues Task Force – under approximately 90 topics. The Codification does not change U.S. GAAP. The goal of the Codification is to provide a more user-friendly, topically organized set of standards that decreases the research time necessary to address accounting issues.

What Standards are included in this Codification?

The FASB Accounting Standards Codification includes all level A-D GAAP issued by a standard setter. It does not include standards for state and local governments. The next page has a complete list of the sources used to populate the Codification.

What are the benefits of the Codification?

- Reduces the amount of time and effort required to solve an accounting research issue.
- Improves usability of the literature thereby mitigating the risk of noncompliance with standards.
- Provides real-time updates as new standards are released.
- Assists the FASB with the research and convergence efforts required during the standard-setting process.
- Becomes the authoritative source of literature for the completed XBRL taxonomy.

Who is affected?

The Codification will affect all AICPA members, including preparers, auditors, tax practitioners, financial statement users, academics and students.

What are we asking you to do?

- Access the Codification Research System at <http://asc.fasb.org> (register online for it).
- Use the Codification during the course of their daily work during the verification period (through April 2009) and provide feedback to FASB.
- Provide feedback to FASB (through the website).
- Become accustomed to locating the standards by the Codification system vs the original standards under which they were issued.

What services will be available to help me understand the Codification?

- There is a valuable Cross Reference Tool on the Codification website
- The AICPA will launch professional development courses to help educate members about the Codification. These will include web casts, self-study and group-study courses.

What is the Codification replacing?

Standards issued by standard setters other than the SEC

The source of the standards is the as-amended versions as provided by the standard setter. Therefore, the Codification does not identify documents that solely amend other standards.

Example... FASB Statement No. 149 is an amendment of FASB Statement No. 133, so the content of Statement No. 149 is included through the as-amended version of Statement No. 133.

- 1) Financial Accounting Standards Board (FASB)
 - i) Statements (FAS)
 - ii) Interpretations (FIN)
 - iii) Technical Bulletins (FTB)
 - iv) Staff Positions (FSP)
 - v) Staff Implementation Guides (Q&A)
 - vi) Statement No. 138 Examples
- 2) Emerging Issues Task Force (EITF)
 - i) Abstracts
 - ii) Topic D
- 3) Derivative Implementation Group (DIG) Issues
- 4) Accounting Principles Board (APB) Opinions
- 5) Accounting Research Bulletins (ARB)
- 6) Accounting Interpretations (AIN)
- 7) American Institute of Certified Public Accountants (AICPA)
 - i) Statements of Position (SOP)
 - ii) Audit and Accounting Guides (AAG)—only incremental accounting guidance
 - iii) Practice Bulletins (PB), including the Notices to Practitioners elevated to Practice Bulletin status by Practice Bulletin 1
 - iv) Technical Inquiry Service (TIS)—only for Software Revenue Recognition

Standards issued by the SEC

To increase the utility of the Codification for public companies, relevant portions of authoritative content issued by the SEC and selected SEC staff interpretations and administrative guidance have been included for reference in the Codification, such as:

- 1) Regulation S-X
- 2) Financial Reporting Releases (FRR)/Accounting Series Releases (ASR)
- 3) Interpretive Releases (IR)
- 4) SEC Staff guidance in
 - i) Staff Accounting Bulletins (SAB)
 - ii) EITF Topic D and SEC Staff Observer comments.