

**Top Ten Financial Reporting Challenges For 2001****FINANCIAL EXECUTIVES INSTITUTE LOGO**

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NEW YORK, Dec. 21 /PRNewswire/ -- Financial Executives International (FEI), a professional association of 15,000 CFOs, controllers and treasurers, has identified the ten most critical financial reporting challenges facing public companies for the year 2001:

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1. Audit Committee Governance -- Fulfill new "independence," financial "expert" and financial "literacy" requirements for audit committees. New requirements affect all publicly traded companies over \$200 million in market capitalization.
2. International Accounting Standards -- Prepare for changes in domestic GAAP that will ensure compatibility among the accounting principles of countries around the world. (To stay updated, visit <http://www.iasc.org.uk/>)
3. Revenue Recognition -- Comply with SEC Staff Accounting Bulletin 101. (<http://www.sec.gov/rules/acctreps/sab101.htm>)
4. Regulation Fair Disclosure (Reg FD) -- Ensure all material information is simultaneously disclosed broadly to meet new SEC requirements. (<http://www.sec.gov/rules/final/33-7881.htm>)
5. Business Combinations and Goodwill Accounting -- Evaluate and, if applicable, implement FASB's proposed new guidelines on accounting for business combinations and goodwill. (<http://www.rutgers.edu/Accounting/raw/fasb/news/index.html>)
6. Consolidated Financial Statements: Purpose and Policy -- Consider the impact of a proposed new FASB rule change requiring consolidation of entities based on "control" rather than percentage of stock ownership.
7. Auditor Independence -- Disclose and justify, through board audit committees, any hiring of the company's audit firm for IT and other consulting work. Comply with the SEC's new rules governing financial, employment and business relationships with the auditors, the scope of non-audit services from the auditor, and the required proxy disclosures on audit fees and audit committee consideration of the auditor's independence. (<http://www.sec.gov/rules/final/33-7919.htm> )
8. Materiality -- Ensure compliance with SEC Staff Accounting Bulletin 99 which bases materiality on what an investor would consider significant. (<http://www.sec.gov/rules/acctreps/sab99.htm> )
9. Restructuring and Asset Impairment Charges -- Comply with SEC Staff Accounting Bulletin 100 and consider issues related to the new FASB Exposure Draft. (<http://www.sec.gov/rules/acctreps/sab100.htm>)
10. New SEC Leadership -- Monitor changes in SEC policy as new leadership begins after Arthur Levitt's anticipated departure in February.

Financial Executives International (FEI) is the leading advocate for the views of corporate financial management. FEI's 15,000 members hold policy-making positions as chief financial officers, treasurers and controllers. For more information, visit <http://www.fei.org>.

SOURCE Financial Executives International

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