


[Front Page](#)
[Search](#)
[FASB Store](#)
[Board Meetings](#)
[Calendar](#)
[Contact FASB](#)
[News Center](#)
[GASB](#)

- [Recent Additions](#)
- [Action Alert](#)
- [Project Activities](#)
- [Exposure Documents](#)
- [Comment Letters](#)
- [Technical Inquiry](#)
- [EITF](#)
- [FASB Staff Positions](#)
- [Effective Dates](#)
- [DIG \(Derivatives\)](#)
- [International](#)
- [Wash. DC Activities](#)
- [Articles, Reports, & Presentations](#)
- [Publications](#)
- [Pronouncements & EITF Abstracts](#)
- [FAQs](#)
- [Facts about FASB](#)
- [FASAC](#)
- [User Advisory Council](#)
- [Small Business Advisory Committee](#)
- [Careers](#)
- [Financial Accounting Foundation](#)
- [Directions & Area Hotels](#)


[SEARCH](#)
[Pages in this Section](#)
[News Release](#)
[Fact Sheet](#)
[Board and Staff](#)
[Media Contact](#)

**CONTACTS:** Joel Allegretti  
(212) 596-6111  
[jallegretti@aicpa.org](mailto:jallegretti@aicpa.org)  
AICPA

Gerard Carney  
(203) 956-5364  
[gccarney@fasb.org](mailto:gccarney@fasb.org)  
FASB

## FASB AND AICPA ISSUE PROPOSAL TO IMPROVE FINANCIAL REPORTING FOR PRIVATE COMPANIES

**NEW YORK (June 8, 2006)** – The Financial Accounting Standards Board and the American Institute of Certified Public Accountants today issued a joint proposal intended to improve the financial reporting process for private company constituents.

Specifically, the joint initiative seeks constituent feedback on proposed enhancements to the FASB's standard-setting procedures that would determine whether the Board should consider differences in accounting standards for private companies within Generally Accepted Accounting Principles.

Under the proposal, the FASB would implement certain improvements to enhance the transparency of its standard setting process for private companies and consider input from private company constituents. To that end, the FASB and the AICPA would also sponsor and fund a joint committee to serve as an additional resource to the FASB to further ensure that the views of private company constituents are incorporated into the standard-setting process.

The proposal may be found at [www.pcfr.org](http://www.pcfr.org). The comment period ends August 15, 2006. FASB and the AICPA are encouraging everyone who plays a role in private company financial reporting – bank lenders, sureties/bonding companies, investors, owners and preparers, and practitioners – to review the proposal and comment on it.

"Private companies are a vital force in our economy," said Robert H. Herz, FASB Chairman. "Today's joint proposal represents just the latest step in our effort to explore ways to engage the participation of, and further improve the standard setting process for, our private company constituents."

"The importance of non-issuers to our capital market system cannot be overstated," said Barry C. Melancon, AICPA President and CEO. "While only about 17,000 companies are registered with the SEC, there are over 20 million that are privately held. Private companies play a critical role in job creation and entrepreneurialism."

**About the Financial Accounting Standards Board**

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit our website at [www.fasb.org](http://www.fasb.org).

#### **About the AICPA**

The American Institute of Certified Public Accountants ([www.aicpa.org](http://www.aicpa.org)) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.

Media representatives are invited to visit the AICPA Online Media Center at [www.aicpa.org/mediacenter](http://www.aicpa.org/mediacenter)

[About This Site](#)

[Copyright Permission](#)

[Terms and Conditions](#)