



July 15, 2014

Mr. Mark Kronforst  
Chief Accountant  
Division of Corporation Finance  
United States Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Subject: Disclosure Effectiveness

Dear Mr. Kronforst:

As we discussed in our meeting with you on June 10<sup>th</sup>, the Financial Reporting Committee (FRC) of the Institute of Management Accountants is very supportive of the Securities and Exchange Commission's (SEC) Disclosure Effectiveness project. FRC's membership includes financial statement preparers, users, auditors and consultants that have direct experience with the difficulties in preparing and, in understanding and interpreting disclosures. In addition, our members regularly use financial statement disclosures in making investing and lending decisions in the ordinary course of business and in advising clients making those decisions. Accordingly, we believe that the FRC is in a good position to provide input to the SEC staff on disclosure effectiveness.

We are writing to provide you with some topics that we think Corporation Finance staff could work to change on a relatively short-term basis. We believe that changes to the following could simplify disclosures:

- streamlining the disclosures and separate financial statements for entities other than the registrant required by Rules 3-05, 3-09, 3-10 and 3-16 of Regulation S-X, for example, by reference to information otherwise publically available or by permitting abbreviated information meeting user needs;
- eliminating the market information in Item 5 of Regulation S-K that is now readily available electronically;
- eliminating information that is redundant of financial statement footnote information (such as descriptive information found in accounting policies, litigation, obligations and commitments) by making more widely known that cross referencing to that footnote information is permitted and;
- eliminating the Ratio of Earnings to Fixed Charges schedule because we do not believe that information is widely used.

We realize that the above suggestions and those of others will involve thoughtful study and evaluation by the SEC staff. Members of the FRC are available to further explain our thoughts and experiences and explore possibilities with you and your staff.

We strongly believe that it is feasible to improve the effectiveness of existing SEC and US GAAP disclosure requirements and make disclosures less redundant and easier for users to understand. We encourage the SEC staff to work with the FASB on longer-term initiatives to improve disclosure effectiveness and we would be happy to be part of that effort.



The Association of  
Accountants and  
Financial Professionals  
in Business

The FRC greatly appreciated the time that you spent and the insights that you shared with us on June 10<sup>th</sup>.

Sincerely,

A handwritten signature in blue ink that reads "N. Schroeder". The signature is written in a cursive, flowing style.

Nancy J. Schroeder, CPA  
Chair, IMA Financial Reporting Committee  
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cc: Shelly Luisi, Senior Associate Chief Accountant