



The Association of
Accountants and
Financial Professionals
in Business

August 13, 2014

Mr. Russell Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2014-220, Exposure Draft (ED) of Proposed Accounting Standards Update (ASU) – *Simplifying the Income Statement Presentation by Eliminating the Concept of Extraordinary Items*

Dear Mr. Golden:

The Financial Reporting Committee (FRC) of the Institute of Management Accountants (IMA) is writing to share its views on the Financial Accounting Standards Board's (FASB) Exposure Draft of Proposed ASU – *Simplifying the Income Statement Presentation by Eliminating the Concept of Extraordinary Items*.

The IMA is a global association representing more than 70,000 accountants and finance team professionals. Our members work inside organizations of various sizes, industries and types, including manufacturing and services, public and private enterprises, not-for-profit organizations, academic institutions, government entities and multinational corporations. The FRC is the financial reporting technical committee of the IMA. The committee includes preparers of financial statements for some of the largest companies in the world, representatives from the world's largest accounting firms, valuation experts, accounting consultants, academics and analysts. The FRC reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. Additional information on the FRC can be found at www.imanet.org under the Advocacy section.

We have noted in many comment letters to the FASB our concern about the complexity of financial statements and, in a letter to you dated May 27, 2014, we expressed our support of the Board's Simplification Initiative. We are pleased to see the Initiative result in this proposed ASU.

We support the elimination of the concept of extraordinary items as the criteria are rarely met. The proposal eliminates the work required by preparers to document whether the criteria are met, as well as the review by auditors of that documentation. In addition, it also reduces the incidence of the additional complexities from the intraperiod allocation of the income tax provision by reducing the incidence of other items of income other than income from continuing operations. While we appreciate the speed of the Board's decision making on this proposal, we also recognize that the devil is always in the details as indicated by the nearly 30 pages of amendments to the Accounting Standards Codification needed to effect this change.

Sincerely,

A handwritten signature in blue ink, appearing to read "N. Schroeder", is written over a light blue horizontal line.

Nancy J. Schroeder, CPA
Chair, Financial Reporting Committee
Institute of Management Accountants
nancy@beaconfinancialconsulting.com