

About the FASB

Established in 1973, the Financial Accounting Standards Board (FASB) is the independent, private-sector, not-for-profit organization based in Norwalk, Connecticut, that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP).

The FASB is recognized by the U.S. Securities and Exchange Commission as the designated accounting standard setter for public companies. FASB standards are recognized as authoritative by many other organizations, including state Boards of Accountancy and the American Institute of CPAs (AICPA). The FASB develops and issues financial accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to investors and others who use financial reports.

The Financial Accounting Foundation (FAF) supports and oversees the FASB. Established in 1972, the FAF is the independent, private-sector, not-for-profit organization based in Norwalk, Connecticut, responsible for the oversight, administration, financing, and appointment of the FASB and the Governmental Accounting Standards Board (GASB).

FASB MISSION

The mission of the FASB is to establish and improve standards of financial accounting and reporting that foster financial reporting by nongovernmental entities that provides decision-useful information to investors and other users of financial reports. The mission is accomplished through a comprehensive and independent process that encourages broad participation, objectively considers all stakeholder views, and is subject to oversight by the Financial Accounting Foundation's [Board of Trustees](#).

BOARD MEMBERS

The seven members of the FASB serve full time and, to foster their independence, are required to sever connections with the firms or institutions they served before joining the Board. While they individually have diverse backgrounds, each has a concern for investors, other users, and the public interest in matters of accounting and financial reporting and they collectively have knowledge of accounting, finance, business, accounting education, and research.

FASB members are appointed by the FAF Trustees generally for 5-year terms; they may serve up to 10 years.

DIVERSE PERSPECTIVES

Balancing diverse views to arrive at the best accounting solutions is inherent to the FASB's standard-setting process and, by extension, the composition of its Board. Currently, the FASB is composed of the following members:

<i>Current Member</i>	<i>Classification</i>
Richard Jones, Chair	Public Accounting
Hillary Salo, Vice Chair	Public Accounting/SEC
Christine Botosan	Academic
Frederick Cannon	Financial Statement User
Susan Cospers	Public, Private, Not-for-Profit Accounting
Marsha Hunt	Public Company Preparer
Joyce Joseph	Financial Statement User

FASB Member Selection Process

FASB members are appointed by the FAF Trustees. To ensure that a balance of perspectives is represented on the FASB, the Appointments committee of the FAF Trustees seeks Board nominations from a wide array of stakeholders, including key stakeholder organizations/associations representing a wide range of financial statement users and preparers, as well as academics, public and private companies and organizations, regulators and other government leaders, and professional search firms.

ADVISORY GROUPS

The primary role of advisory group members is to share their views and experience with the Board on matters related to projects on the Board's agenda, possible new agenda items, practice and implementation of new standards, and strategic and other matters. Information provided by advisory group members is communicated to the Board in a variety of ways, including public advisory meetings and comment letters.

FASB Advisory Groups are standing resources to the FASB and its staff, and include:

- **Financial Accounting Standards Advisory Council (FASAC):** Advises the FASB on technical issues on the Board's agenda, possible new agenda items, project priorities, procedural matters that may require the attention of the FASB, and other matters as may be requested by the FASB or its chair.
- **Investor Advisory Committee (IAC):** Provides advice, from the investor perspective, on current and potential FASB agenda projects.
- **Not-for-Profit Advisory Committee (NAC):** Provides advice on existing guidance, current and proposed technical agenda projects, and longer-term issues related to the not-for-profit sector.
- **Small Business Advisory Committee (SBAC):** Provides advice on FASB projects related to the operationality and the anticipated costs, complexities, and benefits of potential solutions principally from a small public company perspective.

OTHER GROUPS

In order to ensure the broadest discussion of critical accounting and financial reporting issues, other groups include:

- **Private Company Council (PCC):** Advises the FASB on private company matters. The PCC uses the Private Company Decision-Making Framework to advise the FASB on the appropriate accounting treatment for private companies for items under active consideration on the FASB's technical agenda. The PCC also advises the FASB on possible alternatives within GAAP to address the needs of users of private company financial statements. Any PCC proposed changes are subject to endorsement by the FASB.
- **Emerging Issues Task Force (EITF):** Assists the FASB in improving financial reporting through the timely identification and development of proposed solutions to address narrowly scoped financial accounting issues within the framework of the FASB Accounting Standards Codification®.

ADDITIONAL INFORMATION

For further information about the FASB, including Board meeting schedules, access the FASB website at www.fasb.org.