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July 14, 2011

John J. Brennan  
Chairman  
Board of Trustees  
Financial Accounting Foundation  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

**RE: The Time is now. MACPA urges you to Implement Recommendations from Blue Ribbon Panel**

Dear Mr. Brennan,

The time for a separate Private Company Standards Board is now. We commend you for a fair and open process in establishing the Blue Ribbon Panel (BRP) and coming up with viable recommendations, and urge you to take immediate action in implementing those recommendations.

This issue has been studied for over thirty years with similar conclusions. We believe your BRP has a realistic and viable way to accomplish the mandate for separate private company standards.

Over the past four (4) years, FASB had the opportunity under the Private Company Financial Reporting Committee (PCFRC) and were unwilling to consider the unique needs and issues of the private company stakeholders. The PCFRC weighed in on Fin 48 and Fin 46(R), which FASB failed to act upon. Your BRP offers a way forward and includes a sunset provision to assure it is reviewed against the purpose in three to five years. We urge you to implement now.

On behalf of the twelve thousand members of the Maryland Association of CPAs, we urge you to go forth with the recommendations of your Blue Ribbon Panel and establish a private company standard setting board. We are including with this letter our report from our Accounting Standards Task Force ([http://www.macpa.org/content/Public/Documents/PDF/PrivCoStnd\\_whitepaper11.pdf](http://www.macpa.org/content/Public/Documents/PDF/PrivCoStnd_whitepaper11.pdf)) who studied your Panel's report and recommendations and issued their conclusions in the form of this whitepaper on June 1, 2011 after endorsement by our Board of Directors.

**The Maryland Association of CPAs** is the only statewide, professional membership organization dedicated to serving the needs of **Maryland Certified Public Accountants**. Founded in 1901, when the Certified Public Accountant statute was signed into law, the MACPA has been actively working to serve the needs of Maryland citizens and its CPA members ever since.

The MACPA has almost **12,000 members** including CPAs working in practice, industry, government and education as well as accounting students. With three thousand (3,000) sole practitioners and small CPA firms, MACPA members serve thousands of Maryland's small businesses and individuals. Our CPAs are also directly employed by Maryland's businesses and government, non-profit, and educational institutions.



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From our largest public companies and institutions to the small family-owned businesses on Main Street, MACPA members can be found as Controllers, Staff Accountants, CFOs, internal auditors, and in all of the critical roles required to maintain accurate and reliable financial information systems. Finally, many of the largest CPA firms in the nation have CPAs in our membership. These are the firms that audit the large businesses and institutions in Maryland.

The MACPA has responded to numerous pronouncements, exposure drafts and advocated on behalf of our members over the years. Most recently we requested FASB support the recommendations of the Private Company Financial Reporting Committee (PCFRC) in exempting private companies from Fin 48 and 46R. This was somewhat of a tipping point with our members, as ever since there have been increasing concerns voiced by both private company “preparers” (CPAs in business, industry and non-profits) and the auditors of private companies (CPAs in public practice).

In order to address these growing concerns we have instituted three major activities, 1) **Communicate** – we have attempted to inform and educate our members about the changes in standards and standard setting using all of our available tools including presentations, articles, and many social media outlets including podcasts, blog posts, YouTube videos, and multiplier networks like Twitter, Facebook, and Linked-In; 2) **Engage in dialogue** – we hold extensive four hour “professional issues updates” in an interactive town hall format every spring and fall where we reach close to 2,000 MACPA members and capture feedback in survey instruments; 3) **Educate and advocate** - the establishment of our special Accounting Standards Task Force that has specifically addressed the work of your BRP and serves as a basis to educate our members and advocate on their behalf.

The private company standards issue has been reviewed and discussed with more than 2,000 MACPA members at town hall meetings throughout Maryland over the past year. More than 90 percent of members polled at those meetings believed GAAP modifications and exceptions for private companies are the best solution to the problem under a separate accounting standards board like that proposed by your BRP. Let’s not delay this further, or study this more, let’s get started and learn and improve as we go. The time to act is now.

Feel free to contact us should you want additional information.

Thank you for your consideration.

Sincerely yours,

Allen P. DeLeon, CPA  
Chairman of the Board

J. Thomas Hood, III, CPA.CITP  
CEO & Executive Director