



The University of Georgia

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Trustees, Financial Accounting Foundation
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GASB's Scope of Authority

Ladies and Gentlemen:

This letter represents my views on the Financial Accounting Foundation Board of Trustees' Revised Proposal, "GASB Scope of Authority: Consultation Process." In a few words, I believe you have failed to address the serious reservations that I and many other commentators had about the initial proposal.

I will not repeat all of the reasoning from my April 5, 2013 letter. In short, I argued that the oversight function of the Trustees should not include direct and contemporaneous participation by the Oversight Committee or full Board in the GASB's agenda setting process. The Revised Proposal continues that proposed involvement along with the fatal flaw of allowing the Trustees to veto a GASB project if they "are not satisfied that the Group 2 information is in-Scope."

As noted in my earlier letter, this inappropriate involvement in the GASB's agenda-setting process reverses the normal roles of board oversight and management decision making. I believe this action violates the Foundation's current By-Laws with respect to the Trustees' authority, could set a bad precedent with respect to possible future agenda matters of the FASB, and puts the Trustees in a position of making technical decisions for which they may not be qualified.

Your Revised Proposal argues that you have addressed the concerns of the many parties that shared the concerns expressed above. I find your revisions unpersuasive and urge you to directly address these matters before finalizing anything.

Sincerely,



Dennis R. Beresford
Executive in Residence