

IMA's Financial Reporting Committee: Your Voice to the Profession | by Kim R. Wallin, CMA, CFM, CPA

If you're a management accountant who thinks that changes in the area of financial reporting aren't relevant to your work, you may want to think again. New requirements and rules will change the information you must provide and

reports you must generate. Fortunately, there is help available to you—not only to track and understand these emerging changes but to have a say in how they are resolved.

IMA's Financial Reporting Committee (FRC) has the important job of tracking, analyzing, and responding on your behalf to the latest developments in financial reporting. When the Financial Accounting Standards Board (FASB), International Accounting Standards Board (IASB), and Securities & Exchange Commission (SEC) release exposure drafts and pronouncements, the FRC responds with comments, concerns, and practical realities from the perspective of those who actually prepare, audit, and use the resulting financial reports.

One example of recent FRC activity is a letter to the FASB requesting deferral and reconsideration of certain provisions of SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity," related to finite-lived entities. Another is a joint letter with Financial Executives International (FEI) to the SEC on issues related to certain disclosure requirements of FR-67, "Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations." In both cases, changes were made to address the concerns that were raised in the letters. The FRC also recently responded to the IASB on their Exposure Draft (ED) 3, "Business Combinations," and

to the FASB on issues related to stock compensation, pension disclosure requirements, and FIN No. 46 implementation. Through the FRC, you have a voice in the processes affecting our profession.



KIM R. WALLIN

I recently had the opportunity to attend an FRC meeting at the Financial Accounting Standards Board. Once each year the FASB invites FRC to their offices for a joint meeting where the members of both groups share their ideas on important accounting issues. It is an honor to know that the FASB considers IMA an important part of the accounting community and values our input.

During the meeting, Sir David Tweedie, IASB chair, joined us to give the group an update on IASB's projects. The FASB and IASB are converging their standards with the agreement that the better standard will be accepted, regardless of authorship.

Needless to say, FRC stays very busy keeping up with standard-setting bodies. One of our goals is to make the work and benefits of this important Committee more accessible to members. Soon we'll issue regular reports on FRC's activities along with analyses of how the issues would affect your work. There also will be a place on our IMA website where you can view the FRC's comments to FASB, IASB, and SEC directly. We also will work to enable more input from members to the Committee.

Keep in touch. I can be reached at kwallin@imanet.org. ■