

Good News for GAAP Researchers

A new publication is available to help you learn to use the FASB's Codification Research System effectively and efficiently.

In July 2009 the Financial Accounting Standards Board (FASB) formally adopted its *Accounting Standards Codification*® (ASC) as the single source of authoritative Generally Accepted Accounting Principles (GAAP) for nongovernmental entities in the United States. Since then, the FASB's online Codification Research System (CRS) has been the primary means by which the Board has provided access to ASC content. Anyone who needs to identify authoritative accounting guidance that applies to specific entities, transactions, and/or events may use the CRS.

The introduction of the ASC and the CRS forced hundreds of thousands of accounting professionals to acquire new skills to be able to find relevant GAAP as needed. And every year, tens of thousands of accounting students in the United States must acquire such skills in order to succeed in their coursework, on the Uniform CPA Examination, and in their future careers. But educational resources designed specifically to help individuals acquire those skills have been scarce. As a result,

many professionals, educators, and students have found it difficult to acquire the GAAP-research skills they need.

Fortunately, on March 21, 2012, the Financial Accounting Foundation (FAF), the FASB's parent, published the *FASB Learning Guide for the Codification Research System*, which is designed to help CRS users learn to conduct GAAP research effectively and efficiently. I'm especially pleased to share this news with you because I had the privilege of serving as the lead contributor to the *Learning Guide*. In this month's column, I'll give you my inside perspective on the *Guide* and how you can benefit from it.

Overview

Anyone can subscribe to the "Basic View" of the FASB CRS for free. Alternatively, if you require advanced research functionality, you can pay for a "Professional View" subscription, although accounting faculty and students can obtain a Professional View subscription for free through a special arrangement between the FAF and the American Accounting Association (AAA).

The *Learning Guide* was created primarily for individuals who conduct GAAP research using the

Professional View of the CRS. But users of the Basic View of the CRS (or other third-party systems) may also find it helpful.

The *Learning Guide* for the CRS is very different from so-called user guides that accompany many online systems. Ironically, most user guides focus on the *system*, not the *user*. They simply catalog what the system can do without providing any context for what a user should do when facing a GAAP-research task. In contrast, the *Learning Guide* explains what CRS users should do, when, why, and how. And the *Learning Guide* is 100% rooted in the philosophy of "learning by doing."

Contents and Lesson Structure

The *Learning Guide* begins with a preface titled "Getting the Most Out of This Guide." The preface is followed by 17 lessons grouped into four parts:

- I. Core Skills
- II. Skills for Working with Different Types of Content
- III. Skills for Simple and Advanced Searching
- IV. Skills for Special Situations

The lessons are designed for readers to work through them in sequence. They take the reader,



Test Your Codification Skills

Think you know your way around the FASB's Codification Research System? Then see how well you do on these end-of-lesson items from the *Learning Guide*:

1. Identify the specific Codification Topic, Subtopic, and Section that contain guidance on the initial measurement of foreign currency transactions. [From Lesson 3, "Working with Section-Level Content"]
2. Identify the paragraph that contains transition guidance for the pending content in paragraph 310-10-50-4A. [From Lesson 7, "Working with Pending Content"]
3. Identify the date on which version 2.0 of the *Cash Conversion* Subsection of Section 470-20-55 was superseded. [Adapted from Lesson 8, "Working with Archived Content"]

who may initially know little or nothing about the ASC or CRS, from the basics of logging in and out of the CRS to mastery of its many useful features.

Each lesson in the *Learning Guide* begins with a *lesson scenario*—a very short story about someone using the CRS to perform a typical GAAP-research task. These scenarios emphasize the real-world relevance of the lessons. Each lesson scenario is followed by a list of specific *learning outcomes*, that is, the specific work-related tasks that the lesson will help readers learn to do. The *instructional content* that follows is based directly on the learning outcomes.

Sidebar and "Tip for Success" boxes are integrated into each lesson. The sidebars contain supplementary information and frequently encourage readers to "Try It Now." The "Tip for Success" boxes contain important practical advice for using the System—advice that generally isn't intuitive, obvious, or easy to discover.

A concise list of the lesson's key learning points appears in the *les-*

son summary that follows the instructional content. The lesson then concludes with questions, exercises, and problems designed to reinforce the lesson. Answers for these end-of-lesson items are provided in the Appendix of the *Learning Guide*.

Readability and Why It Matters

One of my goals in writing lessons for the *Learning Guide* was to maximize their readability. To measure readability, I used a statistic known as the Flesch-Kincaid Grade Level, which word-processing programs such as Microsoft Word can compute automatically. The values of the Flesch-Kincaid Grade Level for the individual lessons in the *Learning Guide* range from 10.6 to 14.3, averaging about 12.5 for the *Learning Guide* as a whole. Those values mean that a reader who has about 12.5 years of formal education (e.g., someone in the middle of his/her freshman year in college) should be able to understand the material.

My reason for targeting a relatively low Flesch-Kincaid Grade Level—which corresponds to a rel-

atively high level of readability—wasn't to "dumb down" the content for unintelligent or uneducated readers. Instead, as a long-time educator of working professionals who find themselves with ever-decreasing amounts of time to process ever-increasing amounts of information, I know that maximizing readability of instructional material dramatically reduces the time and effort required to learn challenging new skills. I have found this to be true even for very intelligent, educated, and experienced people.

Availability

If at this point you're expecting a sales pitch for the *Learning Guide*, you should be pleased to know that there isn't one. The FAF has made an electronic version (PDF file) of the *Learning Guide* freely available via a link at the ASC website (<http://asc.fasb.org>). I encourage you to take advantage of this free resource to save yourself time and achieve better results in your GAAP-research tasks. **SF**

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Answers to "Test Your Codification Skills"

1. Topic 830, *Foreign Currency Matters*; Subtopic 20, *Foreign Currency Transactions*; Section 30, *Initial Measurement*
2. Paragraph 310-10-65-2
3. July 1, 2010