

REPORT OF THE CHAIRMAN OF THE FASB
TO THE FINANCIAL ACCOUNTING STANDARDS ADVISORY COUNCIL

For the quarter ended March 31, 2001

ITEM 1: TECHNICAL ACTIVITIES

A. BOARD ACTIVITIES

- The Board held 25 separate technical sessions on nine dates to deliberate technical issues for eight agenda projects or possible agenda projects. The Board also discussed one minor technical issue at the open discussion segment of Board meetings.
- Several Board members participated in one Emerging Issues Task Force meeting.
- Several Board members participated in a Derivatives Implementation Group meeting.
- The Board met with representatives of the following organizations and discussed matters of mutual interest:
 - - National Association of College and University Business Officers
 - - Financial Executives International.

B. INTERNATIONAL ACTIVITIES

- The chairman and staff attended a meeting of the G4+1 group of standard setters in London, England. The G4+1 comprises standard setter representatives from Australia, Canada, New Zealand, the United Kingdom, the United States, and the IASC.
- The chairman and staff participated in a meeting of the FAF Trustees' International Committee to discuss the FASB's progress in developing a strategy for the FASB's future relationship with the new International Accounting Standards Board (IASB).
- The FAF Trustees discussed and expressed support for the FASB's preliminary conclusions for its strategy for the FASB's future relationship with the new IASB.
- A Board member and staff met with representatives from the SEC to discuss international matters of mutual interest.
- The chairman visited the Canadian Institute of Chartered Accountants in Toronto, Canada.
- A Board member and staff member (future IASB members) attended the IASB's first organizational meeting.

- The chairman and staff met with representatives from the Japanese Ministry of Economy, Trade and Industry visiting the FASB to learn more about the U.S. accounting standard-setting structure and process and FASB projects.
- Two FAF Trustees who also serve as Trustees to the IASC attended the IASC's Trustee meeting in March.

C. OTHER ACTIVITIES

- The following professional development sessions were presented to the Board and staff:
 - - Robert Traficanti, Director of Accounting Policy, SALOMONSMITHBARNEY, and former FASB staff, presented two sessions on Pricing Methodologies that explored pricing techniques commonly used by investment analysts as they determine prices for financial instruments.
 - - Chuck Landes, Director, and Gretchen Fischbach, Technical Manager, AICPA Audit and Attest Standards, gave us an overview of recently issued audit and attestation standards, what projects are currently in the pipeline, and how those projects will affect the audit profession.
 - - Anthony Cope, departing FASB Board member, spoke on his years as an FASB Board member and about his new role as an IASB member.
- Board members and staff participated in two closed meetings with representatives from the Big 5 accounting firms regarding goodwill impairment.
- Two Board members and staff participated in a closed meeting with representatives from the Security Industry Association to discuss a limited -scope project on reporting certain financial instruments at fair value.
- Three Board members and staff participated in a closed meeting with representatives from the AICPA to discuss mutual financial reporting issues.
- A Board member and staff participated in an AcSEC conference call on the Exposure Draft, *Business Combinations and Intangible Assets—Accounting for Goodwill*.
- Two Board members and staff met with representatives from the Big 5 firms to get their input regarding the joint venture definition and specifically on how certain issues are dealt with in current practice.
- The Board held a roundtable discussion on the Exposure Draft, *Accounting for the Impairment or Disposal of Long-Lived Assets and for Obligations Associates with Disposal Activities*, rather than a formal public meeting, with a limited number of respondents to discuss significant issues raised in comment letters.

- Board members and staff participated in two small group meetings with representatives from AcSEC to discuss certain purchased loans.
- Two Board members and staff participated in a closed meeting with representatives from Goldman Sachs to discuss DIG Issue C13, “When a Loan Commitment Is Included in the Scope of Statement 133.”
- Two Board members and staff participated in a closed meeting with representatives of the Financial Reporting Subcommittee of the Federal Home Loan Bank to discuss issues in the liabilities and equity project.
- A staff member participated in a Financial Executives International conference call on the Exposure Draft, *Business Combinations and Intangible Assets—Accounting for Goodwill*.
- Staff attended AcSEC meetings in New York.
- Staff participated in five closed meetings of EITF working groups.
- The FASB issued a Special Report on FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.
- The FASB’s Business Reporting Research Project issued the second and third volumes of its three-volume research report. *Improving Business Reporting: Insights into Enhancing Voluntary Disclosures* was issued in January, and *GAAP-SEC Disclosure Requirements* was issued in March.
- The Exposure Draft, *Business Combinations and Intangible Assets—Accounting for Goodwill* was issued in February via our website.

ITEM 2: WASHINGTON ACTIVITIES

- The chairman and a staff member met individually with several Members of Congress and staff to discuss current FASB activities.
- The chairman provided a briefing on current FASB activities to staff of the Members of the Subcommittee on Commerce, Trade, and Consumer Protection of the Committee on Energy and Commerce.
- A board member, the director of RTA, assistant director of RTA, and other staff members held quarterly update meetings with the SEC staff and the federal financial institution regulators.
- A staff member met with representatives of a number of associations, Members of Congress, Congressional Committees, government agencies, and other entities and organizations to discuss current FASB activities.

ITEM 3: SPEECHES DELIVERED

Principal platforms addressed by the Board and staff members during this period included:

- American Accounting Association
- New York State Society of CPAs Audit Conference
- New York State Society of CPAs Accounting Standards Committee
- American Business Advisory Service
- Oklahoma Accounting Educators Conference
- University of Georgia
- Equipment Leasing Association
- Information Management Network
- California State University
- American Accounting Association/Deloitte & Touche Trueblood Seminar
- Fordham University School of Law
- Twin Cities Financial Executives Chapter Meeting
- Insurance Financial Analysts Society
- Institute of Management Accountants
- Insurance Education Conference
- Bank Administration Institute
- St. John's University.

ITEM 4: ARTICLES PUBLISHED

Kolton, Paul, "New Frontiers in Business Reporting," *Director's Monthly*, vol. 25, no. 3, March 2001.

ITEM 5: ADDITIONAL PUBLIC RELATIONS ACTIVITIES

- Initiated or responded to an average of about 75 media inquiries per month.
- Wrote and distributed nine news releases (including the Foundation's FASB Board appointments on Katherine Schipper and John Wulff).
- Published three issues of *Status Report*.
- Arranged in-person interviews with reporter from *Accounting Today* (Glenn Cheney) who published several articles on the FASB and FASB-related activities.
- Drafted text and worked with designer on production of FAF's 2000 Annual Report.

TEM 5: GASB LIAISON ACTIVITIES

- FASB meeting minutes were sent to the GASB's RTA director.
- GASB meeting minutes were sent to all Board members and FASB senior staff.
- The RTA directors of the FASB and the GASB held monthly meetings, and the FASB and GASB chairmen held a quarterly meeting.
- The FASB distributed a draft of the Exposure Draft, *Business Combinations and Intangible Assets—Accounting for Goodwill*, to the GASB for review.