



Oct. 1, 2014

Technical Director
File Reference No. 2014-210
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Submitted via email to director@fasb.org

Re: Proposed Accounting Standard Update: Inventory (Topic 330) Simplifying the Measurement of Inventory

Dear Technical Director:

The Virginia Society of CPAs (VSCPA) Accounting and Auditing Advisory Committee has reviewed the proposed Exposure Draft (ED), Inventory (Topic 330): Simplifying the Measurement of Inventory issued by the Financial Accounting Standards Board (the Board). The VSCPA is a leading professional association dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members' interests. The VSCPA membership consists of more than 11,000 individual members who actively work in public accounting, private industry, government and education. We appreciate the work the Board has undertaken on this effort and the opportunity to respond to this ED.

The VSCPA offers the following comments related to the "Questions for Respondents" section of the ED.

1. Should inventory be measured at the lower of cost and net realizable value? If not, what other measurement is more appropriate and why?

Yes. We support the Board's proposed guidance to measure inventory at lower of cost and net realizable value. We believe that the proposed guidance will help to reduce the cost and complexity measurement of inventory that is included in current guidance while still maintaining or improving the usefulness of the information provided to users of financial statements.

2. Should the proposed Update be applied prospectively to the measurement of inventory after the date of adoption?

Yes. We support the position that the proposed Update be applied prospectively after the date of adoption.

3. Should the proposed Update be effective in annual periods, and interim periods within those annual periods, beginning after Dec. 15, 2015, with early adoption permitted?

Yes. We agree with the Board's position that the proposed Update would be effective in annual periods, and interim periods within those annual periods, beginning after Dec. 15, 2015, with early adoption permitted.

4. Should there be a delay in the effective date for entities other than public business entities and why?

No. There is no need to delay the effective date for entities other than public business entities; the objective of the proposed guidance is to reduce the cost and complexity with regards to inventory measurement.

We support the Board's efforts with regards to the "Simplification Initiative" to identify, evaluate and improve areas of generally accepted accounting principles for which cost and complexity can be reduced while maintaining or improving the

usefulness of the information provided to users of the financial statements. We believe the proposed accounting standard update will help the Board meet its objectives with the "Simplification Initiative."

Again, the VSCPA appreciates the opportunity to respond to this Exposure Draft. Please direct any questions or concerns to VSCPA Government Affairs Director Emily Walker at ewalker@vscpa.com or (804) 612-9428.

Sincerely,



Charles M. Valadez, CPA, CGMA, CITP
Chair

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