

Submitted 11/8/2015

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Other, please specify	Completed
Other, please specify (Specified)	Educator	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	Brooklyn College	
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Would assessing materiality subject to the proposed changes to paragraphs 235-10-50-7 through 50-8 be any easier than under current GAAP? If yes, please explain why.		Completed
Would applying the amendments in this proposed Update significantly increase or reduce costs of preparing the notes to financial statements? Why or why not?		Completed
Would the amendments in this proposed Update change the		Completed

<p>information you otherwise would include in the notes to your financial statements? Why or why not? If yes, how would that increase, diminish, or otherwise change the notes' usefulness to investors, creditors, and other financial statement users?</p>		
<p>Do you expect regulatory, legal, or audit consequences that would affect your ability to consider materiality when selecting information to be disclosed in notes to financial statements? Please explain.</p>		<p>Completed</p>
<p>How would you disclose information in comparative financial statements if your assessments of materiality differed in different years?</p>		<p>Completed</p>
<p>Should the Board eliminate from the Accounting Standards Codification phrases like "an entity shall at a minimum provide" and other wording that could appear to limit an entity's discretion to omit immaterial disclosures? Are there particular</p>		<p>Completed</p>

<p>Topics or Sections in which those changes should not be made? Are there additional paragraphs within the Accounting Standards Codification in which the wording is particularly restrictive and is not identified in Appendix B of this proposed Update? If so, please identify them.</p>		
<p>Do you agree with the proposed amendment that would explicitly state that the omission of an immaterial required disclosure is not an accounting error? Why or why not?</p>		<p>Completed</p>
<p>Are there considerations other than those discussed in this proposed Update that would apply to not-for-profit entities?</p>		<p>Completed</p>
<p>Should the proposed amendments be effective upon issuance?</p>		<p>Completed</p>
<p>Please provide any additional comments on the proposed Update:</p>	<p>I am writing to recommend a more specific definition than the proposed "(235-10-50-8) Materiality is a legal concept." The exposure draft (BC14) indicate that the board initially wanted to reference the concept of materiality as defined by the U.S. Supreme Court as "disclosures generally should be evaluated as material based on whether there is a substantial likelihood that the omitted or misstated disclosure would have been viewed by a reasonable resource provider as having significantly altered the total</p>	<p>Completed</p>

	<p>mix of information available in making a decision.” However, the board ultimately decided to only state that materiality is a legal concept, since it is subject to change by the legal profession (BC15).</p> <p>I would urge the board to go back to provide an explicit definition of materiality, even if it is based on the U.S. Supreme Court definition. My reason for this recommendation is three-fold.</p> <p>First, the accounting profession should not “outsource” its critical standard-setting responsibility to other professions. We may wish to harmonize our definitions with those of the legal profession, but we should evaluate it on a case-by-case basis as the legal definition evolves over time, not as a wholesale abdication.</p> <p>Second, the current vague definition of materiality as a legal concept opens up the possibility of different definitions of materiality based on different legal systems. For example, Swiss companies are currently allowed to use U.S. GAAP. If the legal definition of materiality in Switzerland differs from that of the U.S. Supreme Court, which legal definition would apply to materiality in those companies’ financial statements?</p> <p>My third reason stems from my perspective as an accounting educator. It is already a challenge to get students to see the Accounting Standards Codification is an accessible, informative resource of accounting knowledge. The board will enhance the perceived usefulness of the Accounting Standards Codification by including an explicit definition for materiality, rather than requiring users to refer to legal definitions. An undergraduate accounting student (and professor, truth be told) would be hard pressed to refer to the authoritative legal literature to find the current definition of materiality.</p> <p>For these reasons, I urge FASB to explicit define materiality in the standard.</p> <p>Respectfully,      Dov Fischer, CPA Ph.D.      Assistant Professor of Accounting, Brooklyn College</p>	
<p>Please provide any comments on the electronic feedback process:</p>		<p>Completed</p>
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by</p>	<p>Not Answered</p>	<p>Not Answered</p>

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