



Massachusetts Society of CPAs®

January 22, 2016

Financial Accounting Standards Board
Technical Director, File Reference No 2015-330
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Via e-mail to: Director@fasb.org

**RE: EXPOSURE DRAFT NOVEMBER 23, 2015 - PROPOSED ACCOUNTING STATEMENTS UPDATE
– BUSINESS COMBINATIONS (TOPIC 805) – CLARIFYING THE DEFINITION OF A BUSINESS**

Ladies and Gentlemen:

The Accounting Principles and Auditing Procedures Committee (“Committee”) is the senior technical committee of the Massachusetts Society of Certified Public Accountants. The Committee consists of members who are affiliated with public accounting firms of various sizes as well as members in both industry and academia. The majority of the members of the Committee primarily serve small and medium sized clients. The Committee has reviewed and discussed the above-mentioned Exposure Draft. The views expressed in this comment letter are solely those of the Committee and do not reflect the views of the organizations with which the Committee members are affiliated.

First the Committee thanks the FASB for the opportunity to comment on this Exposure Draft.

The Committee has reviewed the Exposure Draft as detailed above. The Committee is overall supportive of the work of the FASB.

The members of the Committee mainly are preparers, auditors and advisors to small and medium sized Not for Profit (“NFP”) entities.

The Committee had chosen to only pass along its general comments on the Exposure draft.

General Comments

The Committee is generally in favor of the Exposure Draft.

Some members of the Committee have expressed the concern that the Exposure Draft will result in added cost to small entities involved in business combinations. Their concern is these entities will be required to obtain additional appraisals that would not otherwise be required.

The Committee believes that the guidance put forth in the Exposure Draft can be greatly illustrated by creating a flowchart that demonstrates the various steps required by the guidance in the new Standard Update. Thus the Committee strongly recommends that the FASB create a flowchart as part of the explanation material to demonstrate the guidance set forth in the Standard.

Thank you for allowing us the opportunity to comment on these exposure drafts.

Very truly yours.

A handwritten signature in blue ink, appearing to read 'Pacino', is written over the typed name.

Philip B. Pacino, CPA, Chairman
Accounting Principles and
Auditing Procedures Committee
Massachusetts Society of Certified Public Accountants