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# Accounting Research Association newsletter

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, 666 FIFTH AVE., NEW YORK, N.Y. 10019

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VOL. V, No. 8

October 12, 1972

(The following is the text of a press release issued by the Board of Trustees of the Financial Accounting Foundation.)

## DRAFT RULES ISSUED ON OPERATIONS OF NEW ACCOUNTING STANDARDS GROUP

NEW YORK, Oct. 12 -- Draft rules of procedure for the new Financial Accounting Standards Board, as well as the Certificate of Incorporation and By-Laws of the Financial Accounting Foundation were released today by the Foundation's trustees for public comment.

Also, a public hearing has been set for December 15 in New York to receive the views of anyone who wishes to make an oral presentation on these documents. Such persons should notify the Foundation and submit a position paper or outline by November 20. All other comments should be submitted in writing by December 15. The hearing will start at 9:00 AM in the Beekman Room of the New York Hilton Hotel.

Free copies of the exposure draft are available, upon written request, from the Financial Accounting Foundation, 666 Fifth Avenue, New York, New York 10019.

Starting next year, the seven member full-time Standards Board will be responsible for issuing statements on financial accounting standards and interpretations of those standards for the guidance of the accounting profession and the business community. In these respects it will act independently of any organization, including the Foundation, which is responsible for appointing the Board and financing the multi-million dollar a year program.

All the important developments in the operations of the Board will be disclosed to the public on a timely basis and its records will be open to public inspection.

Normally, the following procedures will be followed, once an item is placed on the agenda:

- A task force will define the accounting and reporting issues involved and determine the nature and extent of research to be undertaken.
- Public hearings usually will be held based on a discussion memorandum prepared by the task force.
- Public exposure will be made of proposed statements by the Standards Board.

(continued)

- Final statements of the Board, requiring five affirmative votes, will cover the opinion of the Board, background information, effective date, and implementation methods.

It is expected that the Chairman of the Financial Accounting Standards Board will be appointed shortly, with the remaining members to be selected before the end of the year. The office of the Board will be located in southern Connecticut.

#### ARA ANNUAL MEETING DECISIONS

At its annual meeting in Denver on October 1, 1972 the ARA Board of Trustees agreed "to undertake to raise funds from sources within the accounting profession to ensure that the Financial Accounting Foundation receives in each of the five years commencing January 1, 1973, at least \$2,000,000 from members of the accounting profession."

The sum to be raised will come from dues paid to ARA by member firms and individuals in accordance with a revised ARA dues schedule to be released shortly and from other sources within the accounting profession.

The new Board is composed of Winston Brooke, Ala., Chairman; Max Myers, Mo., Vice Chairman; Norton M. Bedford, Ill.; Oral L. Luper, Texas; Wallace E. Olson, N. Y. and James E. Seitz, Cal. Messrs. Brooke, Myers and Bedford hold office as President, Vice President and Secretary-Treasurer of ARA, respectively.