

Financial Accounting Standards Board
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FOR IMMEDIATE RELEASE

FASB Accounting Standards Codification™ to Officially Launch on July 1, 2009

On that date, the Codification becomes the official single source of authoritative nongovernmental U.S. GAAP

Norwalk, CT, June 3, 2009—The Financial Accounting Standards Board (FASB) today voted to approve the *FASB Accounting Standards Codification™* as the single source of authoritative nongovernmental U.S. Generally Accepted Accounting Principles (GAAP) to be launched on July 1, 2009. The Codification will be effective for interim and annual periods ending after September 15, 2009, which means that preparers must begin to use the Codification for periods that begin on or about July 1, 2009. All existing accounting standard documents are superseded. All other accounting literature not included in the Codification will be considered nonauthoritative.

“When the Codification goes live on July 1, 2009, it will vastly improve the ease of researching U.S. GAAP issues,” states FASB Chairman Robert Herz. “The FASB is confident that preparers, auditors and users of financial statements—who for years have had to wade through hundreds of pieces of disparate GAAP literature to resolve an accounting issue—will find the Codification provides a much more efficient, user-friendly method of researching up-to-date solutions.”

Starting in January 2008, the FASB made the Codification available for free for an extended verification period, during which time users were urged to provide feedback on the new system to confirm that the Codification accurately reflects existing U.S. GAAP for nongovernmental entities. In December 2008, the FASB publicly announced July 1, 2009, as the date on which the Codification was expected to go live.

The Codification reorganizes the thousands of U.S. GAAP pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. It also includes relevant Securities and Exchange Commission (SEC) guidance that follows the same topical structure in separate sections in the Codification.

To prepare constituents for the change, the FASB has provided a number of tools and training resources including:

- An online tutorial available on the Codification website at <http://asc.fasb.org>
- A Notice to Constituents that includes a significant amount of background information at <http://asc.fasb.org>

- A Codification Question and Answer (Q&A) document at http://www.fasb.org/cod_project/Cod_overview_12-08.pdf
- Various webcasts, including a March 13, 2008 webcast entitled *The Move to Codification of U.S. GAAP*, available at http://www.fasb.org/fasb_webcast_series/index.shtml
- “Countdown to Codification Alerts,” a series of weekly e-mails featuring tips to help ease the transition to the new research system, available at http://www.fasb.org/codification_alerts
- Numerous presentations.

While the Codification does not change GAAP, it introduces a new structure—one that is organized in an easily accessible, user-friendly online research system. The FASB expects that the new system will reduce the amount of time and effort required to research an accounting issue, mitigate the risk of noncompliance with standards through improved usability of the literature, provide accurate information with real-time updates as new standards are released, and assist the FASB with the research efforts required during the standard-setting process.

The *FASB Accounting Standards Codification*[™] excludes governmental accounting standards. It codified all standards issued by a standard-setter within levels A through D of the pre-Codification GAAP hierarchy, as follows:

Financial Accounting Standards Board (FASB)

- Statements (FAS)
- Interpretations (FIN)
- Technical Bulletins (FTB)
- Staff Positions (FSP)
- Staff Implementation Guides (Q&A)

Emerging Issues Task Force (EITF)

- Abstracts
- Appendix D Topics

Derivative Implementation Group (DIG) Issues

Accounting Principles Board (APB) Opinions

Accounting Research Bulletins (ARB)

Accounting Interpretations (AIN)

American Institute of Certified Public Accountants (AICPA)

- Statements of Position (SOP)
- Audit and Accounting Guides (AAG)—only incremental accounting guidance
- Practice Bulletins (PB)
- Technical Inquiry Service (TIS)—only for Software Revenue Recognition.

More details about the availability of the Codification, including subscription information and a planned print edition, will appear soon on www.fasb.org.

About the Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent, and comparable financial information. For more information about the FASB, visit our website at www.fasb.org.

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