FINANCIAL ACCOUNTING FOUNDATION®

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About the FAF

Established in 1972, the Financial Accounting Foundation (FAF) is the independent, private-sector, not-for-profit organization based in Norwalk, Connecticut, responsible for the oversight, administration, financing, and appointment of the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).

The FAF comprises the FAF Board of Trustees, two standard-setting Boards (the FASB and the GASB), and the FAF management team.

The FASB and GASB establish and improve financial accounting and reporting standards—known as Generally Accepted Accounting Principles, or GAAP—for public and private companies, not-for-profit organizations, and state and local governments in the United States. Both organizations set high-quality standards through a process that is robust, comprehensive, and inclusive.

The FASB is responsible for standards for public and private companies and not-for-profit organizations.

The GASB is responsible for standards for state and local governments.

The FAF is a non-stock Delaware corporation that operates as a nonprofit as defined by the IRS.

FAF MISSION

Our mission is, through governance and oversight, to ensure that the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) establish and improve high-quality financial accounting and reporting standards that provide information useful in decision making to investors and other users of financial reports, and improving all stakeholders' understanding of those standards and preparers' ability to implement them effectively

The FASB, the GASB, the FAF Trustees, and the FAF management contribute to the collective mission according to each one's specific role:

- **The FASB and the GASB** are charged with setting the highest-quality standards through a process that is robust, comprehensive, and inclusive.
- **The FAF management** is responsible for providing strategic counsel and services that support the work of the standard-setting Boards.
- **The FAF Trustees** are responsible for providing oversight and promoting an independent and effective standard-setting process.



More information can be found in the Strategic Plan, at www.accountingfoundation.org/strategicplan.

FAF TRUSTEES

The FAF Board of Trustees comprises 14–18 members from varied backgrounds—users, preparers, and auditors of financial statements; state and local government officials; academics; and regulators.

The FAF Trustees direct the effective, efficient, and appropriate stewardship of the FASB and GASB in carrying out their missions, selects and appoints FASB and GASB members and their advisory councils, oversees the Boards' activities and due process, and promotes and protects the independence of the Boards.

The Trustees participate on committees to provide oversight and review of key areas of governance including:

- Appointments
- Audit and Finance
- Executive
- Compensation
- Standard-Setting Process Oversight.

DIVERSE PERSPECTIVES

To ensure that a balance of perspectives is represented on the FAF Board of Trustees, the Appointments committee recruits potential Trustees from varied backgrounds and culturally diverse talent pools.

Currently, the FAF Board of Trustees comprises:

Current Member	*Classification*
Edward C. Bernard, Chair	Regulator
Timothy L. Christen, Vice Chair	Auditor
Manju Ganeriwala, Secretary and Treasurer	State/Local Government
Lara Abrash	Auditor
Luis A. Aguilar	Regulator
Prat Bhatt	Preparer
Michael B. Clement	Academic
Marion M. Gee	State/Local Government
Edward (Ted) J. Goldthorpe	User/Investor
Lynnette Kelly	Regulator
W. Bryan Lewis	User/Investor
Diane C. Nordin	User/Investor
Elizabeth (Beth) A. Pearce	State/Local Government
Paul A. Quinsee	User/Investor
Richard N. Reisig	Auditor
Sarah E. Smith	Preparer
Robin L. Washington	Preparer

This Board composition has served the FAF well, with each member bringing a unique perspective through different work experiences and areas of expertise.

Board diversity is a necessary element when overseeing and promoting an independent standard-setting process. This is especially important considering that the organizations that apply financial accounting and reporting standards—public and private companies, not-for-profit organizations, and state and local governments—differ dramatically in size, complexity, and resources.

Therefore, the FAF also strives to identify and appoint FASB and GASB members that reflect a diversity of experiences and backgrounds. While we may not always achieve the optimal balance, we aspire to it and continually seek to refine our selections to best reflect and serve the broad range of FASB and GASB stakeholders.

STANDARD-SETTING BOARDS

Financial Accounting Standards Board (FASB)

Established in 1973, the FASB is the independent, private-sector, not-for-profit organization based in Norwalk, Connecticut, that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP). The FASB is recognized by the Securities and Exchange Commission (SEC) as the designated accounting standard setter for public companies. FASB standards are recognized as authoritative by many other organizations, including state Boards of Accountancy and the American Institute of CPAs (AICPA). The FASB develops and issues financial accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to investors and others who use financial reports. The FAF Trustees support and oversee the FASB.

Governmental Accounting Standards Board (GASB)

Established in 1984, the GASB is the independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP). These standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPAs (AICPA). The GASB develops and issues accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to taxpayers, public officials, investors, and others who use financial reports. The FAF Trustees support and oversee the GASB.

COUNCILS

In order to ensure the broadest discussion of critical accounting and financial reporting issues, the FAF also oversees:

- Financial Accounting Standards Advisory Council (FASAC): The primary function of FASAC is to advise the FASB on issues related to projects on the FASB's agenda, possible new agenda items, project priorities, procedural matters that may require the attention of the FASB, and other matters as requested by the chair of the FASB.

- Governmental Accounting Standards Advisory Council (GASAC): The GASAC is responsible for consulting with the GASB on technical issues on the GASB's agenda, project priorities, matters likely to require the attention of the GASB, selection and organization of task forces, and such other matters as may be requested by the GASB or its chair.

- Private Company Council (PCC): The PCC is the primary advisory body to the FASB on private company matters. The PCC uses the Private Company Decision-Making Framework to advise the FASB on the appropriate accounting treatment for private companies for items under active consideration on the FASB's technical agenda. The PCC also advises the FASB on possible alternatives within GAAP to address the needs of users of private company financial statements. Any PCC proposed changes are subject to endorsement by the FASB.

POST-IMPLEMENTATION REVIEW

The PIR process was initiated by the FAF Trustees as part of their oversight responsibilities for the two standard-setting bodies-the FASB and the GASB. The PIR process is intended to assist the Trustees with their ongoing efforts to evaluate the effectiveness of the standard-setting process for both the FASB and the GASB.

FUNDING THE FAF, THE FASB, AND THE GASB

The work of the FAF, the FASB, and the GASB is funded by a combination of accounting support fees, subscriptions and publication revenue, and investment income. The largest share of financial support for the standard-setting Boards comes from accounting support fees. Those fees are paid by publicly traded companies (for the FASB) and municipal bond brokers and dealers (for the GASB). Neither the FAF nor the FASB or GASB receive any funds from federal, state, or local governments. More information can be found on the FAF website "How We're Funded" page.

ADDITIONAL INFORMATION

For further information about the FAF, including FAF Board of Trustees meeting schedules, access the FAF website at www.accountingfoundation.org.