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## Reporting Framework

Thomson Reuters Survey Identifies Challenges Accounting Firms Face as They Advise Clients on AICPA's New Financial Reporting Framework for Small- and Medium-Sized Entities

Jul. 14, 2013

**NEW YORK** – In a new [Thomson Reuters survey](#), 46 percent of CPAs said they are familiar with the new “*Financial Reporting Framework for Small- and Medium-Sized Entities*.” The framework, recently released by AICPA, is another GAAP-alternative to meet the unique needs of these entities’ and their financial statement users.

“In our survey of more than 200 accounting firms, 40 percent of those familiar with the Framework said the biggest challenge will be acceptance by lenders, 31 percent said it will be acceptance and understanding by the firm, and 29 percent said it will be acceptance by clients,” said Scott Spradling, vice president of Audit and Accounting, Thomson Reuters.

Additionally, 56 percent of respondents said they expect one or more of their clients to consider using the Framework, 10 percent said they do not expect their clients to use the Framework, and 34 percent were unsure.

“While there have been a number of critics, many CPAs who deal with complexity on a daily basis have expressed support for the Framework and have applauded the AICPA’s efforts to provide a more comprehensive alternative to GAAP,” said Steve Eason, director of Audit and Accounting Editorial, Thomson Reuters. “We’ve talked with a number of practitioners who intend to further evaluate using the Framework.” One CPA said:

“I expect the majority of clients and users of client financial statements are completely unaware of the Framework, what it means, and if they can use it. It’s

going to take some education. Assuming it's well received, it could be a great fit for

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The special report also includes a description of the Framework, differences between GAAP and AICPA's Framework, the typical characteristics of small- to medium-sized entities, and an explanation of required disclosures — interwoven with analysis and observations to help practitioners become familiar with the Framework now.

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