

## FINANCIAL ACCOUNTING FOUNDATION

401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116 | 203-847-0700  
Fax: 203-849-9714



# NEWS

**Media Contact: Sheryl Thompson**  
**(203) 847-0700, ext. 268**

### **For Immediate Release**

## **Financial Accounting Foundation Increases Its Independence Through Amended Trustee Appointment Process**

**Norwalk, CT, July 25, 2002**—At its July 23 trustee meeting, the Financial Accounting Foundation (FAF), which has oversight, appointment and fundraising responsibilities for the Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB), voted to change its certificate of incorporation and by-laws to increase the independence of its trustee appointment process. The change is effective immediately.

“Given the critical role that accounting standards play in our capital markets, coupled with the nation’s need for objective oversight, the Foundation believes that greater independence and self-governance are highly desirable,” commented Manuel H. Johnson, Chairman of the Financial Accounting Foundation and Co-Chairman of Johnson Smick International Inc. “While the input that the Foundation receives from constituent organizations is invaluable, we believe that the public will be even better served through a more empowered and independent FAF,” he said.

The current FAF trustee appointment process is based on eight constituent organizations that submit names of prospective trustees when their respective seats on the FAF Board of Trustees open. The appointment of these nominees requires the approval of the majority of those heading up the constituent organizations.

The FAF consists of 16 trustees whose backgrounds represent a broad range of professions and areas of expertise. Constituent organizations nominate 11 of the 16 seats and the balance consists of “at-large” seats, which are appointed directly by the trustees.

The change requires the trustees to consider up to two nominees from the constituent organizations for each seat and for the appointment to be made by the trustees. The new process will not affect the Board’s composition or any seat’s experience or credentials.

Under the new system, if the trustees do not find the nominees acceptable, they may consult with that particular organization and appoint a person of their own choosing as long as the individual’s background matches the requirements for that particular seat.

###