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## The Financial Accounting Standards Board: Profiles of seven leaders

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## ABSTRACT

Since its inception over four decades ago, the Financial Accounting Standards Board (FASB) has been led by seven individuals who have served as Board Chair. This paper includes a biographical sketch of the individuals, their terms of service, standards topics and some points of commonality and difference in their prior experience and Board service. This study provides a synoptic review to assist those interested in learning more about the Board Chairs, and to inform as to the role and style of each individual in contrast to the others. The paper provides a foundation for future research of these individuals, their activities and actions through other historical research such as oral histories, collections of writings and speeches and similar catalogues of activity.

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**What characteristics are most important for the job [at the FASB]?**

***“You really have to believe in the importance of this activity. It sounds a little corny, but it’s really more of a calling than an assignment. Once you get here, there’s an awful lot of negativity associated with the position. And unless you are firmly a believer, it could get you down fairly quickly.***

***A lot of people answer in a cliché, saying we have to have a real thick skin. I don’t think that’s really quite right. I like to say you have to have a medium skin because if you have a thin skin, the criticism will get to you and you won’t be able to handle the position; if you have too thick a skin, it will appear, at least, that you’re oblivious to reasonable criticism.”*** [Dennis R. Beresford, as quoted in Norris, June 1, 1997].

This research is motivated by an appreciation for the importance of assessing the contributions of individuals who have substantial leadership responsibility for the United States private sector regulatory body, the Financial Accounting Standards Board (FASB).

The FASB began operating in 1973 during an era when General Motors (GM) was the largest global corporation, and today the FASB operates in an economy where Apple’s market capitalization approaches \$1 trillion dollars and GM has been surpassed and reorganized in the wake of the financial crisis and the Great Recession. Issues that were faced by then GM Board Chairman, Thomas

A. Murphy, an accounting graduate of the University of Illinois, included the recognition of pension and non-pension postretirement benefits (Miranti, 2003). A litany of other issues, which also were faced then including accounting for leases and techniques of valuation, persist to this day.

Since its operations began, there have been seven persons (six men and one woman) who have served as Chair of the board (Cheney, 2013). This paper supplies individual profiles and service records to identify principal background information in the order of each Chair’s appointment. Following this introduction, a description of the mission and operation of the FASB is provided, followed by Summary Profiles [Table 1], and then a more extensive detailed section that includes brief survey essays for all seven Board Chairs. The purpose of these reviews is to identify evidence, patterns, trends, and incongruities relating to important topics that were or are signature activities or outcomes during their terms of service for purposes of facilitating future research to assess the outcomes of standard setting and the FASB as an institution.

**Mission and operations of the FASB**

The FASB is the primary accounting standard-setting body in the United States with corresponding influence throughout global capital markets. To achieve its goals, the FASB has adopted a substantial structure. The Financial Accounting Foundation (FAF) is the oversight body and oversees the provision of financial support derived from sources that include a funding through legislative derived sources. The FAF also appoints members of the Financial Accounting Standards Advisory Committee (FASAC). In addition, since its beginning in 1984, an Emerging Issues Task Force (EITF) has provided service to the FASB by addressing the proper ac-

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**Table 1**  
Summary profiles of FASB members.

Name and years	College	Statements	Dissents	Dissent rate
Marshall S. Armstrong 1972–77 (Chair)	Indiana Univ., Butler Univ., Ball State	1–20	0	0%
Donald J. Kirk 1973–86; 1978–86 (Chair)	Yale University, New York U.	1–91	14	15.38%
Dennis R. Beresford 1987–97	University of Southern California	92–131	3	7.50%
Edmund L. Jenkins 1997–2002	Albion College, Univ. of Michigan	132–146	0	0%
Robert H. Herz 2002–2010	Univ. of Manchester	147–163	0	0%
Leslie F. Seidman 2003–2013 2010–13 (Chair)	Colgate University, New York U.	151–168 <b>Effective July 1 2009, numerical standards ceased.</b>	2 + Inter.	11.1% 0%
Russell G. Golden 2010–present 2013–present (Chair)	Washington State University	<b>Accounting Standards Updates (ASUs) now revise the Codification</b>	0 as Chair Ongoing	Ongoing

counting on new technical issues. Also in 1984, the Governmental Accounting Standards Board (GASB), with a structure somewhat similar to the FASB, was established under the FAF to issue standards for state and local governments. The seven members of the FASB (reduced to five members in July 2008 and then increased back to seven in late 2010) are appointed by the FAF for a five-year term and may be reappointed for one additional term. The Board currently has a Technical Director and a staff of over 60 professionals. The Board's mission is "to establish and improve standards of financial accounting and reporting for the guidance and education of the public..."

Accounting standards are necessary for the efficient functioning of the economy because decisions about the allocation of scarce capital market investment resources rely on business reports and financial disclosures that are timely, credible, transparent, and understandable. The FASB accomplishes its mission by focusing on the primary characteristics of relevance and reliability and on the qualities of comparability and consistency. Its task is continually challenged by the changing economic environment, new and different types of transactions, and the resulting changes in methods of doing business. In recent years, alignment with standards promulgated by the International Accounting Standards Board (IASB) has also been a priority of the FASB.

The FASB's decision-making process is based on an extensive "due process" procedure that was modeled on the Federal Administrative Procedure Act, and in some respects is more demanding. The first step in the process is for a topic to be added to the FASB's technical agenda. The agenda is but the origin of many further steps of due process as elaborated in Chapter 3 of Miller, Bahnson, and Redding (2016). Ideas for agenda additions reflect the interests of many constituents. Miller et al. identify the following among those who are most interested in financial accounting matters: the public at large, government regulators, financial statement users, managers of corporations, independent auditors and accounting educators (Miller et al., 2016, p. 8). These groups further are often identified as particular groups such as financial analysts, corporate preparers, the auditing profession and the U.S. Securities and Exchange Commission (SEC). Once an issue has been presented, the Board has historically voted on whether to add the topic to its agenda. The vote was based on such considerations as the pervasiveness of the issue, the extent to which alternative solutions might improve financial reporting, technical feasibility, the likelihood that an improved standard would be generally accepted, the extent to which global convergence would be enhanced, and the adequacy of FASB resources. During its first 35 years, the entire Board participated in the setting of the agenda, but beginning in July of 2008, that role was assigned to the Board Chairman. The change was somewhat controversial with some past Board members viewing the Chairman's singular responsibility with concern, while Board members in 2008 found the change innocuous and of no concern (Kranacher, 2008, p. 30). Nevertheless, the agenda-

setting process was reversed again in 2013 so that the entire Board again participates more completely in the agenda process.

Marshall Armstrong was the FAF's first choice as a Board Chairman, although the minutes of the August 31, 1972, trustees meeting show that if Armstrong had declined, the second choice was Oscar Gellein, followed by Oral Luper, Kenneth Axelson, and John Queenan, in that order. It was noted that "Queenan's availability, in view of his commitment to the Federal Price Commission and his age, were factors in putting him down on the list." The FAF trustees had also considered Andrew Barr, the recently retired SEC Chief Accountant, but decided not to pursue him because of "...concern that he might be considered controversial." Although Marshall Armstrong quickly accepted the Chairmanship of the FASB when it was offered to him, at a salary of \$125,000 per year, the other six appointments were not as easily chosen. With Armstrong at the November 14, 1972, FAF meeting, the trustees discussed who should hold the remaining six seats. Six individuals were unanimously approved, and six others were chosen as alternates in the event that those initially selected were not able to accept. Of the six unanimously chosen nominees, five of them responded "No;" Walter Schuetze said "maybe," and eventually accepted. The five who declined were Oscar Gellein (Haskins & Sells/now Deloitte), Donald Chapin (Arthur Young & Co., now EY), Reed Parker (Duff, Anderson & Clark, Inc.), Sidney Davidson (University of Chicago), and Kenneth Axelson (J. C. Penney). Gellein eventually joined the Board two years later. The initial six alternates were Donald Kirk, who accepted when Gellein declined, Kenneth Johnson (Lybrand, Ross Brothers & Montgomery, now PWC), Kenneth Stringer (Haskins & Sells, now Deloitte), Roy Anderson (Lockheed Aircraft), Robert Sprouse (Stanford University) who accepted when Davidson declined, and Allen Wear (Ford Motor Company) [Minutes, November 14, 1972]. Thus, of the first seven Board members, three (Arthur Litke, Robert Mays, and John Queenan) were not yet on the FAF's short list.<sup>2</sup> It cannot be determined from the minutes when Queenan was approved by the trustees (although he had been discussed at an early meeting as a potential Chairman). However, he was among the first three to accept, along with Schuetze and Sprouse. Of those who declined appointments to the Board, Davidson, Wear, and Parker were asked to serve on the FASAC and they did accept the appointment as volunteers to the Council. (Minutes, Meetings of the Financial Accounting Foundation, 1972–1973).

<sup>2</sup> Handwritten notes on Thomas A. Murphy's copy of the November 14, 1972, minutes, which were probably added at a later date—perhaps the next meeting—indicated which invitees had accepted and declined. It was noted that Allen Wear had responded with a "maybe." Underneath the typed names were the following names written in pencil: Oral Luper, Robert Morgan, Paul Nagel, Gene Vaughan, J. D. Edwards, Platt, Robert Northcutt, and Donald Hibbard. These names were likely those of individuals who were discussed as possible alternates. Although not founding members, Morgan and Northcutt eventually became Board members in later years.

## Public accountants, users, academics, and preparers

The members of the FASB reflect various constituent views, including public accounting, users of financial statements (investors, analysts, and regulators), academic accountants, and preparers of financial statements. The initial Board consisted of four public accountants, one academic, one user, and one preparer, that is a person who had recently served as a CFO of a large public company. Typically, when a Board member is replaced, the FAF tries to select a replacement from the same constituent group as the retiring Board member. The composition of the Board has been questioned from time to time, so mix is not fixed. While it was followed in general terms during the mid-to-late 1990s it was the subject of SEC Chairman Levitt's focus during the term of FAF Chair J. Michael Cook. Rebalancing the Board has been a periodic activity (Miller et al., 2016, p 36). During the Great Recession of the early 21st century, members with financial institution experience came to serve prominently on the FAF and the FASB. Relative constituencies were valid as of the date of appointment, but are not necessarily unique for the individual Board member's entire career; for example, most of the academics also have had either public accounting or preparer experience. Similarly, some categorized as public accountants held Ph.Ds and had spent years in academia before going into public accounting. Another held a Ph. D. and was an academic and a public accountant with a major CPA firm, but he was considered a preparer. Similarly, many preparers and users also have had public accounting experience. As to the seven Board Chairs, in addition to their dates of service on the Board, their college alma maters are listed, along with the standards with which they were associated, the number of dissents to standards, and their dissent percentage. Five Board Chairs, Armstrong, Kirk, Beresford, Jenkins, and Herz have been inducted into the Accounting Hall of Fame (a preeminent professional recognition established at The Ohio State University in 1950).

The FASB Chair is responsible for the day-to-day activities of the Board and has oversight of due process activities through regularly scheduled meetings, speaking engagements, roundtables, comment letters, and other outreach opportunities. Balancing items of mutual interest with the IASB also is one of the responsibilities of the Chair.

### MARSHALL S. ARMSTRONG

FASB Board Member and Chair (1972–1977)

FASAC Chair (1973–1977)

Marshall Smith Armstrong was the FASB's first Board member and first Chairman, appointed on November 1, 1972. It was his foresight as president of the American Institute of CPAs (AICPA) that led to the formation of the Wheat Committee, which recommended forming a new standard setting entity, leading to the establishment of the FASB. He was also uniquely responsible for the early success of the Board. George Staubus, a noted academic who promoted the decision usefulness view of information, commented, "Marshall Armstrong was the type of steady, calm leader that the first Board needed" (Staubus, 2003, p. 191). Don Kirk, who succeeded Armstrong, also noted the foresightful abilities of Armstrong (AAA, 2016). Armstrong was born on July 13, 1914, in Indianapolis, Indiana, and grew up in nearby Shelbyville where he graduated from Shelbyville High School in 1932 during the Great Depression in the United States. He played the saxophone in the high school band and participated on the track team; his record for the pole vault stood for many years. After high school, he worked as a vacuum cleaner salesman, shoe salesman, insurance agent, professional saxophonist, and then in 1937 became a janitor at a public utility company. From his janitorial position, he moved into a clerical role in the accounting department. In 1942, he left util-

ity accounting to join the CPA firm of Geo. S. Olive & Co. in Indianapolis (through a merger, the firm became BKD, LLP in 2001). From 1937 to 1945, Armstrong attended evening classes at Indiana University and Butler University, but did not graduate. At that time a college degree was not a prerequisite to professional entry. He passed the CPA Examination in 1946 and became a partner in the firm in 1947. He was selected as firm managing partner in 1970. Armstrong served as the 1970–71 president of the AICPA ("Profile..." 1970). As president, he appointed the membership of the Wheat and Trueblood Committees which, as detailed below, were to develop a distinctive structure for authoritative guidance and to propose objectives for financial reporting. He had previously served on the AICPA's Committee on Auditing Procedure (1957–62) and the Accounting Principles Board (APB) (1963–69). He had also been president of the Indiana Society of CPAs (1961–62). He authored many articles for professional journals over the years, including both before and during his term on the Board.

In November 1970, shortly after he became AICPA president, Armstrong received letters from three of the Big-8 CPA firms, Arthur Andersen, Arthur Young, and Touche Ross, saying that the firms were considering withdrawing their support from the APB and rejecting its future pronouncements. As a result, Armstrong asked the AICPA Board of Directors to sponsor a special conference on accounting principles, to be chaired by Armstrong, to examine ways to improve the standard-setting process. Those at the conference adopted a resolution asking Armstrong to appoint two independent study groups to find ways of improving the establishment of accounting principles. These later became the Wheat Committee and the Trueblood Committee (Solomons, 1972). Subsequently, the Wheat Committee recommended the formation of the FASB and on October 10, 1972, the position of Board Chairman was offered to Armstrong. Armstrong was an obvious choice for the position because he had been a member of the APB for six years and had been actively involved with the AICPA for a long period.

Armstrong was determined that the Board would be a private sector entity, independent of the SEC. He had concerns that the APB, which in its later years cleared every pronouncement with the SEC before issuing a final Opinion, had begun to lose its private sector role. However, Armstrong did want an open line of communication with the Commission and its Chief Accountant. This led to the SEC's issuance of Accounting Series Release (ASR) No. 150, which not only reaffirmed its practice established in ASR No. 4 (1938) to look to the private sector, but also provided further support by noting it would accept the authoritative stature of promulgations of the FASB, recognizing its authority as the standard-setting body for financial reporting. The relationship that Armstrong emphasized was to observe "a policy of mutual non-surprise." Throughout his term, Armstrong was a strong defender of the FASB. He used the media and speaking engagements to communicate the Board's processes to the accounting public. While frustrated by the political pressures the Board faced, he stayed focused on the Board's work. During his time on the Board, the FASB issued 20 Statements of Financial Accounting Standards. He did not dissent on any Statement. The Board also laid much of the groundwork for a non-authoritative Conceptual Framework during Armstrong's term. The Framework would absorb substantial time and resources under future Chair leaders. Regarding the importance of this effort, Armstrong's successor, Kirk remarked: "There were so many different accounting philosophies and each firm had a separate internal view, so it helped..." (AAA, 2016).

Armstrong's initial vice Chairman, Robert Sprouse, made the following comment about Armstrong:

Probably only a few of us will ever fully understand and appreciate Marshall's effectiveness in launching the FASB. Without the dignity, good humor, unruffled demeanor, and

dedication that characterized his unique leadership style, those first few standards might never have seen the light of day (Sprouse, 1994, p. 157).

Written in 2007, the following is offered as a summary of Armstrong:

While Armstrong had many outstanding personal qualities, two things that particularly stood out were his ability to rise from a humble beginning to become a pioneer of accounting and reporting standard setting, and his humility. Armstrong's ability to rise from a janitorial position in a utility company to head the company's accounting department, and again from a junior accountant's position to partner and then to managing partner at Geo. S. Olive & Co. was commendable. Despite his accomplishments, Armstrong remained humble. Throughout his career, he did not call attention to himself, rather, he always gave credit to others for his success. Armstrong's reputation as Chairman of the FASB is best summarized by the Board member Walter Schuetze who stated, "Armstrong was a superb Chairman. He was and is a perfect gentleman. As the Chairman, he never rammed anything down anyone's throat. There was never an angry word spoken around the Board table or outside the boardroom. We disagreed, but with Armstrong's delicate touch we never disagreed in anger (Adebayo & Coffman, 2007, p. 306).

Armstrong always addressed situations in a conciliatory manner and advocated a win-win solution when trying to solve problems. Armstrong's successor as Chairman, Donald J. Kirk, later said about his predecessor:

Tribute should be paid to my predecessor, Marshall Armstrong, for having gotten this organization off the ground from literally no employees to its current size and stature. He saw this organization through some very difficult times—Congressional criticism and other criticism that this board, because of his foundation, has reacted to in a way that makes it a stable, acknowledged institution today (Adebayo & Coffman, 2007, p. 307).

Armstrong retired from the Board on December 31, 1977, at the age of 63. Following his service at the FASB, Armstrong joined the faculty at Butler University in Indianapolis from 1978 through 1982. He served as a director of J. C. Penney & Co. from 1978 to 1985. With respect to honors, he received the AICPA's 1977 Gold Medal for Distinguished Contributions to the Accounting Profession. In 1980, he was inaugurated into the Accounting Hall of Fame. He received honorary doctorates from Ball State University and Indiana University in 1975 and Butler University in 1985. He and his wife, Marjorie, whom he married in 1939, had three children. After retiring to Zionsville, Indiana, Armstrong died at the age of 91 on October 23, 2005.

#### DONALD J. KIRK

FASB Member (1973–1986) and Chair (1978–1986)

Donald James Kirk was one of the founding FASB members, and was the youngest of the original members appointed in 1973. He also has the distinction of being the longest-serving member and participated in the issuance of more Standards than any other Board member in its history. He was involved in the first 91 Statements. Kirk served for nine years as Board Chairman following the retirement of founding Chairman Marshall S. Armstrong. Kirk was born in Cleveland, Ohio. Following four years of service as a Naval officer and pilot (1953–1957), he graduated from Yale University in 1959 and earned an MBA from New York University in 1961. He began his professional career with the New York office of Price Waterhouse in 1959 and became a partner in the firm in 1967 and transferred to the Washington, DC office. He returned to the New York office in 1970 (Kirk, 2009). His career as a CPA was the same

as that of his father, a self-educated CPA who had emigrated from Scotland.

In an interview, Kirk explained his connection that led to his appointment to the FASB. Kirk had been asked to work on the Royal Dutch Shell audit that was led by John Biegler, who had succeeded Herman Bevis. Bevis and Biegler had been members of the APB. Biegler, as member of the original board of trustees that oversaw the FASB, was responsible for Kirk being appointed. Kirk tells this story about how he became FASB Chair: It was a difficult time politically due to Congressional Hearings and a critical study of the profession, led by Representative Moss and Senator Metcalf, had led to the publication of a document, *The Accounting Establishment* (U. S. Congress, 1977). Kirk speculated that few outside those who had been directly involved with the startup of the FASB would have been willing to face the risks and prospects of such a task and accept the role (Kirk, 2011, pp. 10, 25–26).

In 1977, a structural review of the FASB resulted in a change to the voting requirements to allow for a simple majority instead of the extant practice requiring a supermajority vote of five members of the seven-man Board. Kirk was in favor of this change because he had witnessed instances where Armstrong, as Chair, voted with four other members even though he may not have been fully supportive of a position. Another change also welcomed by Kirk was opening the FASB meetings to the public. He felt that openness added to the confidence in the FASB (Kirk, 2011, pp. 27–30). Kirk guided the Board through the transition period from the earlier closed meetings era to the practice of conducting open public meetings of the Board.

Colleagues have stated that Kirk always seemed to have a mastery of the issues under discussion, no matter how complex the topic might be. Even those who disagreed with his positions on standards respected his intellectual capability. He testified before Congress and other government agencies on several occasions. A consummate thought leader, Kirk published forty articles in professional and academic journals and served as a contributing editor for *Accounting Horizons*, a major journal of the American Accounting Association (AAA). In a 1984 speech, he shared some of the truisms that he had observed during his eleven years of service. The first of these was "Widespread dissatisfaction with an accounting standard tends to evaporate when the alternatives are considered." This observation traced to the Board's deliberations on deferred taxes; constituents were unhappy with APB Opinion No. 11 until the Board laid out its possible alternatives for the problem. A second truism was "When the answer is obvious, you had better go back and check it." This was based on Kirk's assessment of pension accounting wherein he became convinced that he knew the 'right' answer, but the more he learned, the more his convictions weakened and he began looking for more ways to resolve the complex matters of pension accounting (Kirk, 1984, p. 15).

Of the 91 Statements of Financial Accounting Standards with which Kirk was associated, he dissented to 14, which gave him a dissent percentage of just over 15%. Although his dissent percentage was not particularly high, he shares with Robert Sprouse the record for most dissents by a Board member. He also was the first Board member to ever dissent on a standard when he objected to SFAS No. 4. On only two of his dissents (SFAS No. 4 and 13) was he the sole dissenter. His objection to SFAS No. 4 on extinguishments of debt was a major conceptual one—he simply did not feel that gains and losses on extinguishments of debt should ever be treated as extraordinary items, as the other Board members did. Kirk had practiced as a public accountant long enough to know that clients planned for debt extinguishments; there was nothing extraordinary about them.

In recent correspondence with the authors Kirk explained the essential aspects of his dissent to SFAS No. 13 on leases. "All but the last two sentences of that dissent deal solely with the

inappropriateness of the “front ending of lease income” from leases financed with non-recourse debt vs. leases financed by other forms of debt. This was not a minor issue for the many financial institutions marketing that product – and was aggressively marketed and the accounting vigorously defended by the marketers (Kirk, 2016). However, Kirk would also note that while he may be tagged as ‘a great dissenter’ one had to understand that this was partly a reflection of the longevity of his service as well as the great number of standard votes in which he participated. (AAA, 2016). During the Special Presidential Panel at the AAA Centennial Meeting in New York City in August 2016, Kirk related a point about his tactical view of particular standards as follows: “The concern I focused upon was the undisciplined treatment of accruals and deferrals. That is why Standards 2 and 5 were chosen as ‘anchors’ or foundations to begin a process of disciplining such treatments.” Kirk also observed that moving the voting protocol from a super majority (five out of seven) to a simple majority (four out of seven) may have saved the day, allowing approval of an oil and gas accounting standard that otherwise might have resulted in a failure to resolve the issue, possibly inviting government or other unfavorable action. In his own view, Kirk stated he did not believe that a 5/2 standard was viewed as being more authoritative than a 4/3 standard. Among other points which Kirk pondered during his term was “How realistic is it to adopt something if it cannot be implemented?” (AAA, 2016).

Following his tenure at the FASB, Kirk became a professor at the Columbia University Graduate School of Business until 1995, and from 1995 to 2000 he was an executive-in-residence at the School. He also served several organizations as trustees or directors, including the Fidelity Group of Mutual Funds, General Re Corporation, the Greenwich Hospital, and the National Association of Securities Dealers. From 1995 to 2002, he served first as a member and then as Vice-Chairman of the Public Oversight Board, which was the independent, private sector, five-member body that monitored and reported on the self-regulatory process of the SEC Practice Section of the AICPA. He received the AICPA’s highest award, the Gold Medal for Distinguished Service, in 1986 and an honorary doctorate from Lycoming College. In 1996, Kirk was inducted into the Accounting Hall of Fame. He now lives with his wife Mimi in Greenwich, CT, where he has served as director of the Urban League of Southwestern Fairfield County and as an officer for various mental health, conservation, and political organizations. In November 2009, he was honored by the University of California at Berkeley for Distinguished Contributions to Financial Reporting. The award had been established in 2004 to recognize courageous leadership or other meritorious performance in providing financial information useful to investors. Previous winners included Sir David Tweedie of the IASB, Warren Buffet of Berkshire Hathaway, John C. Bogle of Vanguard Group, and Walter Schuetz, former FASB Board member and SEC Chief Accountant. In the announcement of the award, Kirk was particularly lauded for his involvement in the development of the FASB’s conceptual framework project.

Kirk’s long-time vice Chairman, Robert Sprouse, made the following observation:

Don Kirk’s facility for mastering the most complex accounting issues was a constant source of amazement and admiration. During my tenure, foreign currency translation, accounting for oil and gas producing companies, and pension accounting probably were the most intellectually challenging. Don was in command of the intricacies of each of these before anyone else. Assuming the responsibilities of Chairman had no effect on his leadership in addressing accounting issues. His intellectual capability, personal integrity, poise and self-confidence, dedication to the Board and its mission, effectiveness as a spokesman, and

remarkable capacity for work served him and the Board well (Sprouse, 1994, p. 157).

#### DENNIS R. BERESFORD

FASB Board Member and Chair (1987–1997)

FASAC Member (1980–1983)

EITF Member (1984–1986)

Dennis Robert Beresford was appointed Chairman of the FASB effective in January 1987, and became the longest-serving Chairman. His record is not likely to be broken because he served ten years and six months, his term being extended by six months when the appointment date was changed from December 31 to June 30. He had previously been national director of accounting standards at Ernst & Young (now EY) in Cleveland, having begun his career in the Los Angeles office of the firm. He received his bachelor’s degree from the University of Southern California in 1961 and was president of his Beta Alpha Psi chapter. He passed the CPA Examination before graduation, and in 1972 passed all parts of the inaugural Certificate in Management Accounting Examination (upon which he achieved one of the ten highest scores in the nation and was awarded Certificate No. 6). Beresford had served on the AICPA’s Accounting Standards Executive Committee (AcSEC) from 1976 to 1982 and had chaired it during the last three years of his term. He was one of two representatives from the United States on the International Accounting Standards Committee (IASC) from 1982 to 1984. He also served on FASAC and was a charter member of the EITF. Beresford was the first Chairman who had not previously been a member of FASB. However, he had a good deal of standard-setting experience before joining the FASB, and by the time of his retirement from the Board in 1997, Beresford had been directly involved in accounting standard setting, both in the United States and internationally, for about fifteen years.

Beresford was largely seen as a compromise candidate for the Board Chairmanship. An article in *Fortune* magazine stated that when Donald Kirk retired, “The betting was that he would be succeeded by Jim Leisenring, then head of FASB’s staff, or Arthur R. Wyatt, a board member who had come from Arthur Andersen” (Loomis, 1988). On September 15, however, Beresford received a phone call saying that he was the trustees’ choice; would he accept? He was so shocked, he had trouble composing himself, but said “yes.” He then informed his wife, Marian, and his son and daughter he had agreed to move the family to Connecticut from Cleveland (Beresford, August 18, 2009). Perhaps because of his term on IASC, Beresford set about to internationalize the FASB. His efforts to collaborate with the IASC foretold the Board’s interest in later convergence efforts with the IASB. He also worked to create more interaction with the academic community through a newly organized AAA task force commenting on FASB projects and inviting several professors to share their relevant research with the FASB. Beresford also initiated an annual FASB-AAA/Academic research conference. There had been limited interaction with the academic community prior to Beresford’s arrival in spite of academe having a constituent Board member. Communication with constituents was one of Beresford’s major areas of contribution. Whereas previous Board members had given speeches to constituent organizations, Beresford asked to stay for the entire meeting, rather than just giving a speech and leaving. For example, if he was asked to give a luncheon speech to the FEI Committee on Corporate Reporting (CCR) or the American Bankers Association, he would stay for two days of meetings to learn the thought processes of the members and to get to know them better. Once he learned how successful that approach was, he got the other members of the Board to do the same thing (Beresford, 2009a). He also wrote a lot while

Chairman, including a periodic column entitled “Chairman’s Notes.” In fact, he was perhaps the most prolific writer of any FASB member ever.

During his time on the Board, Beresford was involved with the approval of 40 statements—SFAS No. 92 through 131. He dissented to only three of these: No. 98, 116, and 124. He was the sole dissenter on only one of these—No. 116 on contributions received and made. The No. 98 (Accounting for Leases) dissent was over a minor technical matter, while his sole dissent on No. 116 was because he did not believe pledges represented valid assets and current period revenues for not-for-profit entities such as colleges and universities. He dissented to No. 124 because, even though it dealt with not-for-profit companies, he thought the treatment of investments should be the same as the requirements in SFAS No. 115. Unlike his successors, Beresford was not asked to testify before Congress very often. He provided testimony on two occasions: once to a House Agriculture Committee and once to the House Banking Committee. However, he did feel the tremendous impact of the political process on the first stock options standard. Basically, the Board finalized that process by requiring more disclosure. Beresford himself called it a “strategic retreat” (Norris, June 1, 1997), since he felt that if the Board had pursued the expense-recognition requirement, there was a virtual certainty that it would have been overruled by Congress. Because of this standard and the Board’s action thereon, Beresford has said that his greatest contribution as Chairman was keeping the Board alive. He believed that a different solution at that time may have led to Congress overruling the Board, assigning the standards-setting process to a government agency. He has been quoted as saying that to have persevered “would have emasculated the private sector standard-setting process” (Norris, June 1, 1997). Furthermore, the standard that was issued meant that the footnotes provided the same information that would have been in the income statement. Commenting in 2016, Beresford indicated that there was an aspect, which all Chairs had to evaluate carefully, which related to determining when the board was getting ‘too’ far out in front of the reporting community (AAA, 2016).

Beresford has indicated that he had a fairly good working relationship with the FAF trustees. One thing that he did to help the trustees was to provide them with annual evaluations of the other Board members. This was helpful to the trustees when they were considering the reappointment of Board members.

After leaving the FASB, Beresford joined the accounting faculty at the University of Georgia. In 1995, he was awarded an honorary doctorate by DePaul University. In 2004, he was inducted into the Accounting Hall of Fame and received the AICPA’s Gold Medal for Distinguished Service to the profession. In 2006, he was selected as one of the inaugural inductees into the Financial Executives International Hall of Fame. In 2013 the Institute of Management Accountants presented him with its first Distinguished Member Award. During his career, Beresford authored over 100 articles, made over 900 presentations to business and accounting audiences, and was quoted frequently in business and professional publications. After Beresford completed his service at the FASB he served on boards of directors for major companies, and chaired the audit committees for WorldCom and Fannie Mae, where he was brought in to assist in the recovery from two of the largest financial reporting misstatements related to the ‘Great Recession.’ Additionally, in following decades he has continued to participate in commenting upon standards-setting matters, including providing many formal comment letters to the FASB, the SEC and the Public Company Accounting Oversight Board (PCAOB).

#### EDMUND L. JENKINS

FASB Board Member and Chair (1997–2002)

FASAC Member (1991–1995)

#### Emerging Issues Task Force (Charter Member, 1984–1991)

Edmund Lowell Jenkins served as Chairman of the Financial Accounting Standards Board from July 1, 1997, through June 30, 2002, but he had been active within the standard-setting community for many years prior to joining the Board. He had been a charter member of the Emerging Issues Task Force when it was formed in 1984; he remained on the EITF through 1991. He also served on the Financial Accounting Standards Advisory Committee from 1991 to 1995. Outside of the FASB, Jenkins served from 1991 to 1994 as Chairman of the AICPA’s Special Committee on Financial Reporting, which was also called the Jenkins Committee. That committee’s report called for financial statements to be more useful to investors by including more forward-looking statements on company prospects and more non-financial information (Abelson, 1997). During his five years as Chairman of the Board, the FASB approved 15 Statements of Financial Accounting Standards (No. 132–146), two interpretations (No. 43 and 44), and Concept Statement No. 7. He did not dissent to any Statement.

Jenkins was born in 1935 and raised in East Lansing, Michigan. He was the oldest of two children of Ben and Helen Jenkins. His father was a biologist for the Michigan State Conservation Department and his mother a substitute teacher. He graduated from Albion College, a small liberal arts school about 60 miles from his home, where he majored in economics and political science. During his senior year, he married his high school sweetheart, Kay Moynihan. An accounting professor at Albion, E. Maynard Aris, who had been a student of William A. Paton, convinced Jenkins that he should pursue a career in accounting. Immediately upon graduation from Albion in 1957, Jenkins and his new wife moved to Ann Arbor where Jenkins was to receive an MBA from the University of Michigan in 1958. He received a Paton Scholarship at Michigan. Upon receiving his MBA, Jenkins joined the firm of Arthur Andersen & Co. in the Detroit office in 1958 and remained with the firm for 38 years. Upon making partner in 1968, he shortly thereafter (1970) moved to the national office in Chicago, spent a brief time in the Indianapolis office, and then returned to the national office where he joined the Professional Standards Group. With that Group, he represented Andersen before the FASB and federal regulators, including the Securities and Exchange Commission, with respect to accounting, auditing, and financial reporting matters. He also served as managing partner of the firm’s accounting and audit practice and held worldwide responsibility for the largest segment of the firm’s professional practice. He retired from Andersen in 1996—the year prior to joining the FASB (Jenkins, 2008).

During his five years as Board Chairman, Jenkins spent a great deal of time traveling, with an average of one day per week being spent in Washington, DC. In addition to working with the SEC, Jenkins’ Washington work involved educating Congressmen and Congressional staff about the activities of the FASB. He gave formal testimony on numerous occasions. He became relatively well known among Congressmen. Perhaps his greatest Washington contribution, and greatest challenge as Chairman, was getting Statement 133 on derivatives and Statement 141 on business combinations approved without excessive interference from Congress. Both of these statements were highly controversial and many high-tech companies, particularly from California, asked their Congressmen to fight the passage of the pronouncements. In particular, Statement No. 133 was opposed by Federal Reserve Board Chairman Alan Greenspan. Having such a powerful opponent made the Congressional challenges even more imposing. Nevertheless, Jenkins persevered and succeeded. Recalling this episode years later, Jenkins summarized by sharing a remark he made to Greenspan in the midst of the discussions. “Mr. Chairman, if you agree not to set accounting standards, we’ ll agree not to set interest rates” (AAA, 2016).

In early 2002, Jenkins spent considerable time working with Senator Paul Sarbanes in writing the Sarbanes-Oxley Act. His objective was to insure that the FASB remained a private sector organization. Another of his contributions as Chairman was his support of international convergence, initially with the old International Accounting Standards Committee and then with the new International Accounting Standards Board (IASB). He cited David Tweedie and Paul Voelker as the moving forces in getting the IASB established. Jenkins recognized that international accounting standards were “inevitable,” but that they would take a long time to develop. Jenkins major disappointment while at the FASB was how slowly things moved. He had hoped more could have been accomplished with respect to international convergence and with providing more types of information to investors and creditors (Jenkins, 2008).

In 2002, Jenkins, then 66 years old, declined to accept an appointment for a second term on the Board. Upon his retirement from the FASB in 2002, Jenkins and his wife, Kay, moved to Tucson, Arizona, where he became active in the not-for-profit community. He served on the Board of Directors of the University Medical Center, the teaching hospital for the University of Arizona Medical School, and served as Chairman of the Audit and Compliance Committee. He also served as president of the Board of Directors of Interfaith Community Services, a not-for-profit human welfare agency. He had long been active in community service before joining the FASB. While in Chicago, he had served on the Advisory Board to the DePaul University School of Accounting and also on the University of Southern California School of Accounting Advisory Board. He served as a member of the Board of Directors of the Chicago Child Care Society for more than 25 years and was president of the Society on two occasions. Jenkins served as a trustee of his alma mater, Albion College, from 1981 until 2002, and was a member of the Executive Committee and vice Chairman of that Board, as well as Chairman of the Finance and Investment Committee. After 2002, he continued to serve on special projects as trustee emeritus. Since his retirement, he has also lectured annually to accounting students at the University of Arizona (Jenkins, 2008).

In 2005, Jenkins was inducted into the Accounting Hall of Fame at Ohio State University as the Hall's 78th member. Also in 2005, he received the Special Recognition Award from the American Institute of CPAs for his lifetime contributions to the accounting profession. He was honored on three occasions with honorary doctorates: from Albion College, DePaul University, and Lycoming College. Jenkins and his wife Kay have four children and eight grandchildren.

#### ROBERT H. HERZ

FASB Board Member and Chair (2002–2010)

EITF Member (1996–1999)

Robert (Bob) Henry Herz became Chairman of the FASB on July 1, 2002, after a successful career at PricewaterhouseCoopers. He was reappointed to a second term effective July 1, 2007. Although born in New York City, Herz was raised in New Jersey and Argentina, and went to college in England. Herz's father had been a commodities trader on Wall Street. His father later worked for Continental Grain and then Bunge. Bob tells the story of how the day that Bob was born was the greatest day in his father's life—a comment that the father was to make every year on Bob's birthday. It seems that the day that Bob was born at Lenox Hill Hospital happened to be the same day that baseball hall of famer Joe DiMaggio entered the same hospital. Bob's father got to meet Joe DiMaggio and get his autograph. Thus, Bob's birthday was significant to his father not only because of the birth of a son, but because of the opportunity to meet a baseball legend. When Bob was 14 years old, his father accepted a position with Bunge in Argentina and

the family moved there from New Jersey. After graduating from high school in Argentina, Bob received an offer from the University of Manchester in England. He graduated top of his class with a degree in economics from the University of Manchester in 1974, where one of his professors was Brian Carsberg. Upon graduation, Herz was guided by Carsberg toward the Manchester office of Price Waterhouse where he was to spend his time auditing companies in a variety of industries including textile companies and suppliers to textile companies, industrial manufacturers, major petroleum companies, and banks and building societies. He met his wife, whom he married in 1978, in Manchester.

Even though he was working in Manchester, Herz still had contacts in the U. S. and he learned that American CPAs earned salaries triple that of English Chartered Accountants. Therefore, he and his wife moved to the United States where Bob worked in the Miami office of Price Waterhouse. The managing partner of the small 50-person Miami office wanted Bob to get his CPA certificate. Upon application for reciprocity, Bob learned that the Florida Board of Accountancy would not grant reciprocity to an English Chartered Accountant. Neither could he sit for the CPA Examination, because the Florida Board did not recognize his university as being an acceptable granter of degrees in accounting. He asked his managing partner for a transfer to another office, but was refused a transfer because the firm felt it had too much invested in Herz' moving expenses from England and his American training. Consequently, he sent letters of application to the other seven Big-8 firms. He quickly found a suitor and joined Coopers & Lybrand in Boston. He still had to take the CPA Examination, but Boston would recognize his alma mater; he received the gold medal on the November 1979 Exam. Herz almost joined the FASB as a staff member in 1980; he interviewed for the job of project manager, but when the firm found out, it offered to transfer him to the national office where he could work as the firm's liaison with the FASB, and at a higher salary. He became a partner in 1985, working on a variety of audits and special projects and heading the firm's Corporate Finance Advisory Services. He became the firm's senior technical partner in 1996; he assumed the same position in 1998 when a merger with his old firm resulted in the Big-4 firm of PricewaterhouseCoopers. Herz was also a member of both the firm's Global and U. S. governing boards. He served as president of the C&L and PWC Foundations and from 1994 to 2002, he was on the firm's Investment Committee of Partners Investment Funds, which was basically a series of investment vehicles in venture capital, operating real estate, and oil and gas producers that were founder investors in new businesses such as Office Depot (Herz, 2009).

A quote in a 2002 *Washington Post* article stated that “Herz dreamed of finding his way here [the FASB] the way a baseball player dreams of making it to the World Series. At the top of his career, Herz imagined himself in one of two places one day: Chairman of the FASB or chief accountant of the SEC” (Spinner, 2002). Before joining the FASB, Herz had Chaired the AICPA's SEC Regulations Committee and the Transnational Auditors Committee of the International Federation of Accountants. He was a member of the AICPA Council. Earlier, in the late 1980s and early 1990s, he had been a member of the FASB Financial Instruments Task Force. He was active with the American Accounting Association's Financial Accounting Standards Committee, which provides comment letters to the FASB on Discussion Memoranda and Exposure Drafts. He was a member of the International Capital Markets Advisory Committee of the New York Stock Exchange.

Herz's views have been influenced by his multinational background and by his education in economics. He is an advocate of principles-based accounting, which sometimes put him in conflict with his fellow auditors and certain Board members. He pointed out that principles-based standards based on an enhanced Conceptual Framework would be necessary to reach international con-

vergence since many parts of the world do not use a rules-based approach. Dennis Beresford once said that Herz was “more worldly than your typical U. S. accountant.” He has also been a long-time proponent of the goal of a single set of global accounting standards and was an initial member of the IASB when it was formed in 2001. He resigned from the part-time IASB position to accept the Chair’s role at the FASB. Herz appreciates the importance of communications with constituents. Before joining the Board, Herz took a whirlwind tour of Washington, DC, to meet with all of the key players in the federal government. Besides Congressional leaders, he also met with leaders of the Federal Reserve, the SEC, and the Treasury Department. Herz’s involvement with Washington did not diminish after he assumed the job of Chair; Sarbanes-Oxley was passed during his first month as Chair; he spent time with Senator Sarbanes who was concerned with adequate FASB funding. During his Chair term, the FASB established new advisory committees focusing on obtaining more input from investors, private companies and small businesses, and not-for-profit entities. Herz testified before Congressional Committees on about 20 occasions. He recently stated that many of these Congressional hearings were instigated by lobbyists trying to influence the FASB; the committee or subcommittee Chair would schedule the hearing and require Herz to testify to pacify their constituents. Thus, many of the hearings were not necessarily threatening to the FASB, but still required the time-consuming preparation of testimony (Herz, 2009).

Herz’s contributions over his term as Chair included the idea for the Codification Project, although he acknowledges that Lawrence Smith and Thomas Hoey were the individuals who ‘made it happen’. Herz also has been a core advocate of the international convergence movement, including the design of the Norwalk Agreement of 2006, which set forth how the FASB and IASB would work to achieve convergence. Making basic FASB materials regarding standards available at no cost on the Internet was another of Herz’s innovative contributions.

As a Board member, Herz did not dissent to any of the 22 standards (147–168) upon which he voted. Herz has had numerous publications over his career, including co-authorship of a 2001 book entitled *The Value Reporting Revolution: Moving Beyond the Earnings Game* (Eccles, et al., 2001). It examined in depth and advocated for more systematic reporting on key non-financial value drivers and performance indicators and greater use of new technologies in the reporting process. Herz left the FASB in 2010—two years before the end of his term.

Herz’s 2013 book, *Accounting Changes: Chronicles of Convergence, Crisis and Complexity in Financial Reporting*, and the 2016 updated and expanded second edition, *More Accounting Changes: Financial Reporting Through the Age of Crisis and Globalization (2016)*, represent the only book length memoirs to date by a former board Chair and will likely become a valuable source in further study of his term and of the role of the Board during the dramatic period of financial crisis and the Great Recession.

In 2014, Herz became a member of the Board of Directors of the Sustainability Accounting Standards Board (SASB). This non-profit group, started in 2011, supports the writing of standards for voluntary corporate sustainability reporting to disclose material information on social, governance, environmental, and other sustainability issues. Herz is well-suited for this work, not only due to his standard-setting experience, but also for his expertise in having coauthored the book on Value Reporting. This book called for more disclosure of nonfinancial information on key value drivers and performance indicators. He is an Executive in Residence at Columbia University. Additionally, he is a member of the Standing Advisory Group of the PCAOB and the Accounting Standards Oversight Council of Canada, and is a member of the boards of

directors of Fannie Mae, Morgan Stanley, and Workiva, Inc. and several advisory boards including the Manchester Business School in England.

#### LESLIE F. SEIDMAN

FASB Board Member (2003–2013) and FASB Chair (2010–2013)

FASB Staff (1996–2000)

FASB Fellow (1994–1996)

Leslie French Seidman was appointed to the FASB Board in July 2003. Seidman spent her early life in upstate New York, where she was one of ten children in a blended family. Her first job was as a newspaper delivery girl at the age of 12, and she worked all through high school. She put herself through Colgate University, with a combination of scholarships, work, and loans, and graduated in 1984 with a degree in English. She was recruited by Arthur Young & Co. for a program designed to transition liberal arts graduates into accounting. She had never met an accountant, but found the idea of learning the language of business a good way to start a professional career. She worked for the firm as an auditor while simultaneously earning a master’s degree in accounting from New York University. She became a CPA. She began her accounting career in the New York City office of Arthur Young & Co., now EY, as an auditor, where she worked on a diverse group of clients, including retail, oil and gas, venture capital and foreign banking. While still in her mid-twenties, she moved to J. P. Morgan to work on policy issues, which leveraged her analytical and writing skills. Her appointment as an FASB Fellow was a natural transition, because part of her job at Morgan was to monitor the Board and make the bank’s positions known by writing comment letters to FASB and AICPA proposals. She had applied to the fellowship program at the behest of Board member Victor Brown whose speech at a Financial Executives International (FEI) meeting had motivated her to apply. While an FASB Fellow, she was assigned to EITF issues and handled the technical inquiries dealing with the Board’s financial instruments projects and existing standards. She took the lead role in developing an implementation guide to SFAS No. 115 on marketable securities that was published in 1995. Following her term as a Fellow, during which she had a baby, she was invited to join the FASB staff, first as a project manager and then later as assistant director of research, replacing a thirty-year veteran, J.T. Ball. As assistant director, she oversaw the staff handling the EITF and worked extensively with the Chief Accountant’s office at the SEC. She would later find it ironic that the Chief Accountant was then forcing banks to restate their allowances for loan losses because they were too high. After a total of five years on the staff, she left the FASB to become a financial reporting consultant, where she provided training to a number of large financial institutions, consulted with industry on complex accounting matters, and worked with several large law firms as a consulting expert on accounting-related matters. She also wrote a book, *Financial Instruments: A Comprehensive Guide to Accounting and Reporting*, which continues to be updated and published by CCH.

In 2003, she was nominated by the Institute of Management Accountants, where she was serving on the Financial Reporting Committee, to fill the open position on the Board. She was appointed in July 2003 to serve the remainder of John Wulff’s term, a former CFO of Union Carbide and preparer of financial statements, who had resigned. Seidman was used to saying that she lacked the traditional “stripes” of a Board member from industry, but was selected because of her subject matter expertise. Prior to her FASB board appointment, Seidman was Vice President of Accounting Policy at J. P. Morgan & Co. in New York. At that time, Morgan was leading innovation in banking circles, doing transactions in areas

where the accounting standards were not clear, such as securitizations and derivatives. Thus, she was charged by her employer to develop policies for recording new types of transactions, which involved consultations with the SEC's Chief Accountant. Although relatively young when appointed at age 40, making her the second youngest Board member ever, she had already been with the organization for five years. As a result, there was a less steep learning curve upon being appointed to the Board. She already knew how to get things done in the building. But the external aspects of being a Board member were new. Seidman testified before Congress during her second week as an FASB Board member on the subject of accounting for derivatives. She found that experience irritating because Congressmen would ask her questions and then turn away and talk to staff while she was answering, without listening to her. She approached issues with a very practical perspective, and often disagreed with proposals that were too theoretical. As an FASB member, she dissented to three standards—FIN 46(R) on variable interest entities, SFAS 141(R), business combinations, and SFAS No. 160 (reporting of minority interests). She and George Batavick, who were both fairly new board members and both from industry, dissented to FIN 46(R) on the basis that it was not clear enough to yield consistent interpretations, and that the immediate effective date was unreasonable. Their views were validated by the numerous meanings employed for that Interpretation and the later complete overhaul in FAS 167, which she supported. She was the sole dissenter on Statements 141(R) and 160. Among the reasons for her dissent on business combinations was that the purchase price was no longer presumed to reflect fair value, which could lead to potential gains on purchases, and more complexity in general. She dissented to Statement 160 because she thought it was premature to conclude that a minority interest was equity in the consolidated financial statements of the parent, given that the Board was actively considering the conceptual definitions of liabilities and equity. She also objected to the requirement to re-measure (usually taking a gain) on the previously held interest in a step acquisition. She has also stated that she regrets her vote on SFAS No. 159 (fair-value option). Although electing to carry liabilities at fair value was appropriate for mortgage banking and brokerage firms, where practically all of their assets were required to be marked to market (fair value), other companies elected the fair value option for only a handful of items in their financial statements, which did not lead to cohesive accounting, but rather caused confusion in their results. She feels that there should have been more restrictive guidelines as to when the option could be applied (Seidman, 2009). Seidman did not issue any dissents during her term as Chair.

Seidman had been named Chair in what she called, “a battlefield promotion,” after Robert Herz resigned early. The economy was in recession, interest in the U.S. adopting IFRS had waned, and private companies were expressing serious concerns about the complexity of several recent standards (including FIN 46(R)). Shortly after her appointment as Chair, as noted in the first part of this paper, the FAF trustees decided to expand the Board back to seven members, including an investor and a preparer from a private company, having briefly reduced the number to five in 2008. The trustees also instituted a Post-Implementation Review process to assess the effectiveness of FASB and GASB standards, using staff from the FAF to conduct an independent review. The FAF and FASB established the Private Company Council (PCC), after a lengthy, tumultuous process with the AICPA and the National Association of State Boards of Accountancy (NASBA), as well as a Blue Ribbon Panel, which had recommended the establishment of a new board for private company accounting, to address the concerns of small, private companies first on several complex standards, and then to advise the FASB on future standards. Seidman led the

establishment of a framework to evaluate when modifications should be made for private companies, to attempt to minimize differences in GAAP between public and private companies, as well as to consider simplifications for all entities. The FASB also assumed responsibility for maintaining the XBRL (extensible business reporting language) Taxonomy during Seidman's term. She also requested that the trustees again revise the FASB's agenda setting process, to require a majority vote of the entire board, which they did.

Seidman was Chair when Hans Hoogervorst, a Dutch politician, was named Chairman of the IASB. The Boards continued to meet jointly, and attempted to converge their proposals on revenue recognition, financial instruments and loan losses, and leasing. Only the revenue recognition issue has concluded successfully. The most controversial issue was the accounting for impairment of loans and debt securities, which had been deemed “too little, too late” during the financial crisis. Despite the urging of the G20 and the Financial Stability Board to converge, Seidman led several difficult joint meetings, where the FASB ultimately decided not to accept the converged solution on impairment. The FASB had learned from fieldwork that the proposed approach would actually have led to lower reserves and that U.S. stakeholders did not find that result an improvement in reporting.

Seidman traveled extensively as Chair. She regularly met with officials in China and Japan, as well as Canada, the European Union and the United Kingdom to discuss the boards' proposals. She represented the FASB on the newly formed International Accounting Standard Setters Forum, and on the International Integrated Reporting Council. She was reappointed to the Board in 2006 for a full five-year term, and then again in 2011, limited to a final two years as part of a total of the 10-year board service limit. She left the Board when she reached the term limit allowed, leaving a legacy of leadership and change, including the successful implementation of the PCC. She has said in recent interviews that she feels one of her accomplishments while at the FASB was to show that women can succeed in such high pressure roles as being the board chairman of a standard-setting organization. She summarized her career at the FASB with the following words: “You don't do it for the glory. You don't do it because it makes you popular. You do it because you believe in the mission” [DiFulco, 2006].

Seidman is currently the Executive Director of the Center for Excellence in Financial Reporting at Pace University in New York City. There, she has launched two innovative programs, the Women's Accounting Leadership Series, and the Pacesetters in Financial Reporting Conference, which is designed to promote innovation and improvement in financial reporting. She also serves on the Board of Directors of Moody's Corporation and as a Public Governor of the Financial Industry Regulatory Authority (FINRA). Seidman met her husband, Eric, at Colgate University, and they have an adult daughter.

#### **RUSSELL G. GOLDEN**

FASB Board Member (October 2010–Present) and Chair (2013–Present)

Staff (2004–2010)

Russell Gregory Golden, the current Chair, came to the FASB as a senior technical advisor in 2004. In 2008, he was named Technical Director, a position that oversees FASB staff work on standards-level projects, including both major projects and technical application and implementation activities. As Technical Director, he also chaired the EITF. In 2010, upon the resignation of Robert Herz as Chair of the FASB, Golden was named to fill the vacancy on the

**Table 2**  
Characteristics of fasb chairs.

Name	Prior fasb experience	Other standard-setting experience	Primary occupation	CPA
Marshall S. Armstrong	NA	APB	Public accounting	Yes
Donald J. Kirk	Founding member	No	Public accounting	Yes
Dennis R. Beresford	EITF	IASC, AcSEC	Public accounting	Yes
Edmund L. Jenkins	EITF	No	Public accounting	Yes
Robert H. Herz	EITF	IASB	Public accounting	Yes
Leslie F. Seidman	Staff	No	Industry	Yes
Russell G. Golden	Staff EITF Chair	No	Public accounting	Yes

board then being chaired by Seidman. He was appointed Chair in 2013 when Leslie Seidman's term expired. In 2016, he was reappointed to a second term, which will extend his term of service through June 30, 2020.

Prior to joining the FASB, Golden was a partner with Deloitte & Touche in the National Office Accounting Services division. He is a CPA and received his bachelor's degree from Washington State University. His wife, Tracey, also a CPA, is a partner on the Professional Practice Leadership Team of Deloitte where she leads the development, implementation and monitoring of national audit quality initiatives

Upon assuming the Chair's role, Golden had outlined five key goals for the FASB – improving operations, reducing complexity, improving communication, enhancing collaboration with the Financial Accounting Foundation (FAF) and Governmental Accounting Standards Board (GASB), and working with FAF and the U.S. Securities and Exchange Commission to realize a vision for the future (Orenstein, 2014). Given that Golden's role as Chair is current and ongoing, the authors of the paper deemed it premature to attempt to propose any further assessment beyond the essay thus provided. A summary and analysis of Golden's role thus is an assignment left to future scholars and colleagues in the profession.

## Summary and conclusions

The purpose of this paper is to provide profile materials and a summary of activity regarding the seven individuals who have served the FASB as its Board Chair. To begin this process, the authors have researched and detailed the careers of these individuals in order to outline and to facilitate future research into particular events and topics that are noted and identified. To the extent that this work and findings assist in identifying trends, commonalities, consequences, and inconsistencies, it will have achieved a beginning in what is anticipated to become an area of important future biographical and institutional study. Table 2 provides an example of an early pattern of some commonalities: all are CPAs and all had some experience with standard setting before becoming Chair, with the EITF being a major source of experience with the more recent Chairs. Yet, Kirk, for example had no standard-setting experience before becoming an FASB member, prior to his service as Chair (yet he did have five years of board service experience by the time he became Chair). All of the Chairs had worked in public accounting for a major accounting firm, although Seidman's primary occupation was in industry. The dominant pattern of males serving as Chairs changed with Leslie Seidman becoming the first female. Several of the Chairs, if not all, were aided by their networking with other standard-setters and influential accounting thought leaders. To further expand the pattern of considerations, the two most recent Chairs gained their standard-setting experience as staff members at the FASB.

Recently a panel at the 2016 Centennial meeting of the AAA led by its President Bruce Behn brought together five past Chairs (all but the first who is deceased and the current holder) in a public

forum that provided a dynamic opportunity for exchange of knowledge and improved understanding of the role played by the FASB and its Chair. Many comments from that session have been incorporated into this paper (See AAA, 2016).

Fundamental reviews, commentaries and study of the Chairs' efforts will continue with the passage of time, as new events take place and prior evaluations are amended with the turn of economic and accounting events. Hopefully this survey and summary will serve as a point of useful reference in such activity.

## Acknowledgments

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