



Best of 2006: Accounting

Are you up-to-date on all the accounting developments of 2006? Here is our editors' selection of the most popular accounting articles of the year.

[CFO Staff](#), CFO.com

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The most common causes of financial restatements are "simple misapplications of GAAP" and bad bookkeeping. At least, that's what Scott Taub, then the deputy chief accountant of the Securities and Exchange Commission, said in a speech this fall.

Perhaps. But keeping up with GAAP is far from "simple" these days. From a new standard that forces companies to book future environmental cleanup costs now, to a tax accounting rule that gives the IRS an audit roadmap to your company, accounting has never been more complex.

The big accounting stories in 2006, of course, revolved around pension and leases. But sleeper issues like Fin 47, new guidance on how to deal with cumulative errors, and Congressional interest in eliminating LIFO also got plenty of attention from CFO.com readers. Below is our editors' selection of the most popular articles.

To see all of our accounting coverage, check out the [accounting section of our archive](#).

- [FIN 47: The Future Is Now](#)

Under the new standard, many companies may have to book future cleanup costs, whether or not they can be ascertained today.

- [How Much is that Error on the Books?](#)

Following new SEC guidance, companies have a new way to 'fess up on errors in their next 10-K.

- [Accountants: Going Once, Going Twice](#)

Bring your auction paddle and get ready to bid for finance help.

- [Securitization: Cash Flow on Tap](#)

A popular financing technique, sometimes criticized for its off-balance-sheet treatment, may be skewing cash-flow statements too, says a new report.

- [Up on Cripple Creek, a New Kind of Gold](#)

An obscure accounting rule, combined with a shortage of urban real estate, is creating a rush to reclaim contaminated land. Now one company that made its fortune in the gold-rush era is cashing in again.

- [Execs Letters Rip FASB Pension Draft](#)

The proposed statement by the accounting board could upset companies' annual budgeting and create chaos at year's end, employers contend.

- [Simplifying Accounting Is No Simple Task](#)

A recent FASB proposal allowing fair value measurement is too complicated, say critics who normally support such measures.

- [Gift Cards and Revenue Recognition](#)

For retailers, these cards can be a gift that keeps on giving, although sometimes, what they give is accounting headaches.

- [SEC Issues Option Accounting Guidance](#)

New guidance from the Chief Accountant tells companies how to respond to various outcomes of internal investigations into backdating and other stock option granting problems.

- [Pension Dissension](#)

FASB gets an earful as CFOs protest key details of pension-accounting reform.

- [FASB Calls for a Cultural Change](#)

Executives who use accounting-motivated transactions to prop up financial results are among the obstacles to a principles-based approach, says Robert Herz, the board's chairman.

- [Binomial Creep](#)

Although most companies still use Black-Scholes to value their stock options, a small but growing number are finding good reason to employ a more complicated valuation model.

- [Lost in the Maze](#)

Problems with hedge accounting caused a wave of restatements in 2005. Are FASB's rules too hard to follow, or are companies simply too lax?

- [Software Capitalization Clouds Comparisons](#)

Although many companies expense their software development costs, according to a new study, differences in accounting approaches can give "the impression that those that are capitalizing are doing better financially."

- [Restatements: Stupid Human Tricks?](#)

When they restate, companies would do well to disclose how they found the triggering errors, says the SEC's Scott Taub.

- [The Battle to Preserve LIFO](#)

Prompted by Congressional thoughts of repeal, companies that use last-in, first-out inventory accounting start mobilizing their defense.

- [FASB To Change Derivative Accounting](#)

FASB aims to eliminate the income statement volatility from asset-backed derivatives.

- [FASB Issues Lease Accounting Guidance](#)

A new staff position requires companies to account for the "economic reality" of leveraged leases.

- [FASB Hoists Red Flags Higher for Taxman](#)

A new accounting rule changes the way companies report their uncertain tax positions, and may serve as a roadmap for IRS auditors.

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