

NFP Summary of Decisions Reached—FASB Board Meeting September 24, 2008

At the September 24, 2008 meeting, the Board discussed whether to require a different method of accounting for a merger of not-for-profit organizations than that required for an acquisition and, if so, how it should define a merger and clarify the proposed guidance. The Board affirmed its prior tentative decision to distinguish between a merger and an acquisition. The Board also decided to improve the workability of the definition and its related guidance by:

- Clarifying the scope of the final Statement by explicitly scoping out formations of joint ventures and making the merger definition more robust.
- Including a discussion that emphasizes that in a merger no one party dominates various aspects of the merger transaction and describes factors that are helpful in discerning a merger from other combination types.

The Board also directed the staff to develop case-based examples useful in applying the final Statement.

In addition, the Board also discussed whether to retain or modify the proposed requirements for (a) initial recognition and measurement of acquisitions and (b) subsequent accounting for any goodwill recognized as a result of the acquisition. That discussion will continue at the October 1, 2008 meeting.