

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** FASB Staff  
**Subject:** Minutes of September 20, 2017  
Board Meeting—Agenda  
Prioritization and Research Agenda  
**Date:** September 28, 2017  
**cc:** Stacey Sutay

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

**Topic:** Agenda Prioritization and Research Agenda

**Basis for Discussion:** *See final page for full list of documents serving as basis for discussion*

**Length of Discussion:** 8:00 a.m. to 11:45 a.m. EDT

**Attendance:**

Board members present: Golden, Kroeker, Botosan, Hunt, Monk, Schroeder, and Siegel

Board members absent: None

Staff in charge of topic: Walsh and M. Cheng

Other staff at Board table: Proestakes, Gilioli, Bowen, L. Cheng, Kuhaneck, Mazzella, Friend, Cline, Kinley, Cole, Bologna, Mottley, Debbink, Lapins, Maroney, Smith, Brickman, Switter, Wyss, Carter, Mechanick, Posta, Hoyer

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues relating to Agenda Prioritization and the Board's research agenda.

Please refer to the current technical plan for information about project timelines.

**Tentative Board Decisions:**

The Board discussed (1) the results of staff research and analysis on the projects included in the August 2016 FASB Invitation to Comment, *Agenda Consultation*, and (2) the status of its research agenda and made the following decisions.

**Intangibles**

The Board decided to remove the holistic project on Intangibles from its research agenda and maintain a component on its research agenda focused on developing qualitative disclosures about intangibles as part of the overall disclosure framework project.

[Vote: 4-3 to remove holistic project from the Board's Research Agenda]

[Vote: 4-3 to retain disclosure component on the Board's Research Agenda]

The Board also decided to combine the following two projects on its research agenda: (a) Accounting for Identifiable Intangible Assets in a Business Combination for Public Business Entities (PBEs) and Not-for-Profit Entities (NFPs) and (b) Subsequent Accounting for Goodwill for PBEs and NFPs.

[Vote: 4-3 to combine on the Board's Research Agenda]

**Pensions and Other Postretirement Benefit Plans**

The Board decided to remove from its research agenda a project on pensions and other postretirement benefit plans.

[Vote: 7-0 not to add to the Board's Agenda]

**Distinguishing Liabilities from Equity (Including Convertible Debt)**

The Board decided to add to its agenda a project on distinguishing liabilities from equity. The objective of the project is to improve understandability and reduce complexity (without loss of information for users). The project will focus on indexation and settlement (in the context of the derivative scope exception), convertible debt, disclosures, and earnings-per-share.

[Vote: 7-0 to add to the Board's Agenda]

## Financial Performance Reporting

### *Disaggregation of Performance Reporting*

The Board decided to add a project to its agenda to focus on the disaggregation of performance information. The project would consider disaggregation either through presentation in the income statement or through disclosure in the notes. The project would base the disaggregation on requiring functional lines to be disaggregated into natural components.

[Vote: 7-0 to add to the Board's Agenda]

[Vote: 4-3 to focus only on disaggregating functional lines into natural components]

### *Structure of the Performance Statement*

The Board decided to retain a component of the performance reporting research project that would develop an operating performance measure on its research agenda.

[Vote: 7-0 to retain this component on the Board's Research Agenda]

## Segment Reporting

The Board decided to add a project to its agenda on segment reporting to improve (a) the segment aggregation criteria and (b) the segment disclosure requirements.

[Vote: 6-1 to add to the Board's Agenda]

[Vote: 7-0 to focus on aggregation and disclosure]

## Interaction with Not-for-Profit Phase 2 Research Project

The Board considered how the projects on disaggregation of performance information and segment reporting interact with the NFP phase 2 research project. The Board decided to remove from the scope of the NFP Phase 2 research project an alternative that would have required an NFP health care entities to apply Topic 280, Segment Reporting.

[Vote: 4-3 to remove the alternative from the scope of the project]

The Board also decided to combine its research projects on for-profit entities and not-for profit entities for structuring the performance statement (or statement of activities).

[Vote: 7-0 to combine research projects on the Board's Research Agenda]

Accounting for Income Taxes: Presentation of Tax Expense/Benefit

The Board decided to continue its research on this project and to expand the scope to consider other potential simplifications to accounting for income taxes that were suggested by stakeholders.

[Vote: 7-0 to retain on the Board's Research Agenda]

Inventory and Cost of Sales

The Board decided to continue its research on this project.

[Vote: 7-0 to retain on the Board's Research Agenda]

Targeted Improvements to the Statement of Cash Flows

The Board decided to continue its research on potential targeted improvements to the statement of cash flows.

[Vote: 7-0 to retain on the Board's Research Agenda]

Accounting for Financial Instruments: Interest Rate Risk Disclosures

The Board decided to remove this project from the research agenda.

[Vote: 6-1 to remove from the Board's Research Agenda]

**General Announcements:**

None.

**Documents Serving as Basis for Discussion:**

*Agenda ITC Cover Memo*

Memo No. 15—Agenda Consultation—Invitation to Comment Cover Memo

*Intangibles*

Memo No. 2—Holistic Approach

Memo No. 4—Cover Memo

Memo No. 5—Targeted Approach—Addressing Potential Inconsistencies in the Recognition Guidance for Internally Generated Intangibles

Memo No. 6—Targeted Approach—Qualitative Disclosures for Unrecognized Internally Generated Intangibles

Memo No. 7—Extending the Private Company Alternative on the Accounting for Identifiable Intangible Assets Acquired in a Business Combination to Public Business Entities and Not-For-Profit Entities

*Pensions and Other Postretirement Benefit Plans*

Memo No. 1—Pensions and Other Postretirement Benefit Plans

*Distinguishing Liabilities from Equity (Including Convertible Debt)*

Memo No. 4—Cover Memo

Memo No. 5—Potential Targeted Improvements

Memo No. 6—Disclosure Enhancements

Memo No. 6A—Disclosure Enhancements Appendix

*Financial Performance Reporting and Segment Reporting*

Memo No. 29—Cover Note

Memo No. 29A—Segment Reporting

Memo No. 29B—Disaggregation of Performance Information

Memo No. 29C—Structure of the Performance Statement

*Research Agenda*

Memo No. 16—Research Agenda

Memo No. 2—Background and Updated Information on Interest Rate Disclosure