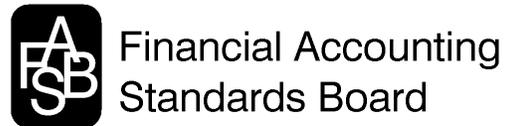


MINUTES



**To:** Board Members

**From:** Hoyt (ext. 298)

**Subject:** Minutes of the September 19, 2007  
Board Meeting: Going Concern—  
Liquidation Basis of Accounting and Subsequent Events

**Date:** September 26, 2007

**cc:** Golden, Bielstein, MacDonald, Leisenring, Petrone, Bolash, Paul, Hoyt, Gabriele, Sutay, Polley, Lott, Chookaszian, Klimek, Allen, T. Johnson, Bean, Attmore, Intranet

*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 a final Statement or Interpretation.*

**Topic:** Going Concern—Liquidation Basis of Accounting and Subsequent Events

**Basis for Discussion:** Board Memorandum No. 2

**Length of Discussion:** 9:00 to 9:15 a.m.

**Attendance:**

Board members present: FASB: Herz, Batavick, Crooch, Linsmeier, Seidman, Smith, and Young

Board members absent: None

Staff in charge of topic: Paul and Bolash

Other staff at Board table: Golden and Hoyt

Outside participants: None

## Summary of Decisions Reached

The Board decided to:

1. Remove both the going concern and liquidation basis of accounting and the subsequent events projects as separate projects from the Board's agenda
2. Include these projects in the codification and retrieval project.

The Board will discuss any changes to the guidance from the auditing literature that will appear in the codification at the next codification Board meeting.

## Objective of the Meeting:

The objective of the meeting was to affirm the Board's directive to remove both the going concern—liquidation basis of accounting and the subsequent events projects as separate projects from the Board's agenda and include them in the codification and retrieval project. The objective was met.

## Matters Discussed and Decisions Reached:

1. Mr. Hoyt stated that the purpose of the meeting was to address the direction of two separate projects on the Board's agenda: (a) going concern—liquidation basis of accounting and (b) subsequent events. He also stated that during an administrative meeting in late July, the Board discussed its current agenda and reprioritized some of its projects. As a result of that meeting, the Board informed the staff that these two projects would be dealt with more efficiently as part of the codification and retrieval project. Mr. Hoyt stated that the staff wanted to affirm that directive.
2. Mr. Hoyt explained that (a) the staff has received several requests from constituents regarding the status of both projects and (b) the staff wanted to ensure that the information available to the public relating to these two projects is current. The Board will discuss any edits to the guidance from the auditing literature that will appear in the codification at the next codification Board meeting.
3. Mr. Linsmeier wanted clarification from the staff as to whether the outcome of codification would result in the same decisions that the Board had made for both projects with respect to a final authoritative standard. Mr. Golden stated that it would

not and that the move to codification would be an “escalation” of the relevant auditing literature related to these two topics to GAAP. As a result, the staff will have to change some wording so that the final standard is written from the perspective of the preparer rather than the auditor; however, the underlying principles will be the same as the relevant auditing literature.

4. With respect to subsequent events, Mr. Bolash stated that the staff will carry forward with all of the decisions made by the Board at the May 30, 2007, meeting as the staff proceeds with the codification. With respect to the going concern and liquidation basis, Mr. Paul stated that the staff will not be making any significant changes to the auditing literature except those wording changes outlined by Mr. Golden.
5. Mr. Crooch inquired whether proceeding in this manner was consistent with the due process requirements of the Board. Mr. Smith noted that there will be a fairly lengthy notice to recipients related to the codification that will highlight the inclusion of such guidance from auditing literature when the codification draft is released for exposure to the public. Ms. Seidman stated that she assumed the staff would have informed the Board if the staff saw any downside to moving these two Board projects to the codification and retrieval project. Mr. Golden responded that the staff would have done so if it had seen a downside to proceeding in this manner.
6. The Board [all members] agreed to remove both projects as separate projects from the Board’s agenda and include them in the codification and retrieval project.

Follow-up Items:

None.

General Announcements:

None.