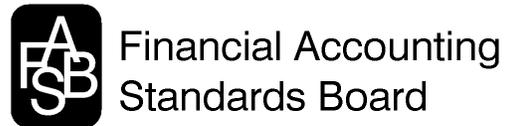


MINUTES



To: Board Members

From: Project Team (Martin, x354)

Subject: Minutes of the June 10, 2009 Conceptual Framework (Phase C) Board Meeting **Date:** June 12, 2009

cc: Leisenring, Bielstein, Golden, Proestakes, Stoklosa, McGarity, Posta, Glotzer, Klimek, Lott, Gabriele, Sutay, Project Team, FASB Intranet, Lian, Willis, Teixeira, GASB: Reese

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: Phase C: Measurement

Basis for Discussion: Memo No. 92, *Conceptual Framework – Measurement: Sample Measurement Chapter – Cover Memo*
Memo No. 92A, *Conceptual Framework – Measurement: Sample Measurement Chapter*

Length of Discussion: 11:05 a.m. to 11:30 a.m.

Attendance:

FASB members present: Herz, Linsmeier, Seidman, Siegel, and Smith

IASB members present: None

Staff in charge of topic: McBeth

Other staff participating: Lott, Martin

Summary of Decisions Reached:

The Board discussed a draft measurement chapter for the conceptual framework that is based on measurement factors the Board has discussed in earlier meetings. Those factors are:

1. Method of value realization
2. Cost of preparing and using measures
3. Relative level of confidence in different measures
4. Use of consistent measures for similar items and items used together
5. Separability of changes in measures.

The Board decided that the measurement factors and the discussion of their relation to the objective of financial reporting and the qualitative characteristics of decision-useful information are an appropriate starting point for developing a Discussion Paper.

Objective of the Meeting:

The objective of the meeting was to discuss a draft measurement chapter for the conceptual framework. The objective was met.

Matters Discussed and Decisions Reached:

1. Mr. McBeth asked the Board for comments on the draft measurement chapter for the conceptual framework and whether the ideas presented in the draft are a suitable basis to move forward with the draft of the discussion paper for the measurement chapter.
2. **The Board Comments:** The Board stated that the draft chapter was a good basis for moving forward with the discussion paper for the measurement chapter.
3. Mr. Herz questioned whether the factor of separability of changes in measures belonged in the measurement chapter of the conceptual framework and suggested it may be more appropriate to include this factor in Phase E of Conceptual Framework project, Presentation and Disclosure.
4. Mr. Lott stated that the factor of separability of changes in measures is a relevant consideration in choosing among measures because inability to separate income

components may indicate that a different measure may be more appropriate for a particular asset or liability.

5. Mr. Smith suggested that separability of changes in measures is a factor that should be considered after the initial determination of the appropriate measure has been made based on other factors discussed in the draft chapter.
6. Mr. Linsmeier stated that the measurement chapter should more clearly indicate the link between the measurement factors and the objectives of financial reporting. Mr. Linsmeier added that the usefulness of the chapter would be improved if it included a general discussion of considerations and trade offs involved in choosing among the measures. Mr. Linsmeier further stated that the chapter should include the consideration that the measures chosen for individual line items need to aggregate into meaningful subtotals and totals in the financial statements.
7. Mr. Herz supported Mr. Linsmeier's suggestion that the measurement chapter should explicitly describe how each measurement factor relates to the financial reporting objectives. Mr. Herz observed that method of value realization is an important factor in providing information about the amount, timing, and uncertainty of future cash flows.
8. Ms. Seidman questioned whether the discussion presented in the draft chapter would be useful in resolving the most difficult measurement questions encountered by the Board and stated that it is not clear how the method of value realization factor relates to measurement of liabilities.
9. Mr. Siegel supported Mr. Linsmeier's suggestion that the measurement chapter should include the discussion of considerations and trade offs involved in choosing among measures.

Follow-up Items: None.

General Announcements: None.