

MINUTES



Financial Accounting
Standards Board

To: Board Members

From: Goodwill Impairment Assessment
Team (Raichilson x443)

Subject: Minutes of the December 8, 2010
Boarding Meeting: Private Company
Outreach/Goodwill Impairment
Assessment Agenda Decision **Date:** December 17, 2010

cc: FASB: Bielstein, Lott, Proestakes, Stoklosa, Mechanick, C. Smith,
Brickman, Catalano, Glotzer, Gabriele, Sutay, FASB Intranet, McGarity,
Klimek. FASAC: Chookaszian, Posta, Guasp

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: Goodwill Impairment Assessment and Private
Company Outreach Summary

Basis for Discussion: N/A

Length of Discussion: 10:30 a.m. to 11:30 p.m.

Attendance:

Board members present: Golden, Linsmeier, Seidman, Siegel, Smith

Board members absent: None

Staff in charge of topic: Mechanick

Other staff at Board table: Proestakes, Catalano, Glotzer, Raichilson

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The purpose of this meeting was for the staff to summarize feedback from recent private company outreach and for the Board to decide whether to add a project to the agenda that would explore alternatives to the manner in which goodwill is assessed for potential impairment.

The Board indicated that they intend to complete deliberations for the goodwill impairment assessment project in March 2011, however, the Board did not yet determine the timing of the release of the Exposure Draft.

Summary of Decisions Reached:

The staff summarized the broad standard-setting concerns of nonpublic constituents received through various outreach forums. One issue, among many others raised, is a concern about the cost of fair value measurements that are currently required annually to evaluate goodwill for potential impairment.

The Board expressed support for adding a project to its agenda to explore alternatives to the manner in which reporting entities are required to assess goodwill for potential impairment. The project discussed by the Board only relates to step one of the two-step goodwill impairment test, which requires a reporting entity to compare a reporting unit's fair value to its carrying amount. The second step is then performed only if the fair value calculated in step one is less than the reporting unit's carrying amount in order to calculate the amount of the impairment, if any.

The FASB Chairman decided to add a project to the Board's agenda that will explore alternative approaches to the manner in which nonpublic entities are required to assess goodwill for potential impairment.

Although the project is focused on reporting by nonpublic entities, the Board requested that the staff perform additional research about the implications of also including public entities in the scope of this project and to report this information during deliberations.

The FASB Chairman decided not to include as part of this project the consideration of alternative treatments in the recognition and measurement of goodwill.

The Board intends to complete its deliberations by March 31, 2011.

General Announcements: None