

MINUTES



To: Board Members
From: Stoviak (x471)
Subject: Minutes of the February 2, 2011 Joint Board Meeting
Date: February 7, 2011
cc: 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: Revenue Recognition: Accounting for Costs of Obtaining a Contract

Basis for Discussion: FASB Memorandums 136B

Length of Discussion: 10:15 a.m. to 11:30 a.m. EST

Attendance:

Board members present: FASB: Seidman, Golden, Linsmeier, Siegel, and Smith
IASB: Tweedie, Cooper, Danjou, Finnegan, Gomes, Kalavacherla, König, McGregor, Pacter, Scott, Smith, Yamada, and Wei-Guo

Board members absent: IASB: Engström and McConnell

Staff in charge of topic: FASB: Hood and Bement
IASB: Rees

Other staff at Board table: IASB: Brady and Pitman

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of a final standard. The Board's technical plan calls for that document to be issued in the second quarter of 2011.

Summary of Decisions Reached:

The Boards continued their redeliberations of the Exposure Draft, *Revenue from Contracts with Customers*, and discussed the accounting for the costs of obtaining a contract. The Boards decided tentatively that:

1. An entity should recognize an asset for the incremental costs of obtaining a contract that the entity expects to recover. Incremental costs of obtaining a contract are costs that the entity would not have incurred if the contract had not been obtained.
2. An asset recognized for the costs of obtaining a contract should be presented separately on the statement of financial position and subsequently measured on a systematic basis consistent with the pattern of transfer of the goods or services to which the asset relates.

At a future meeting, the Boards will discuss the costs of fulfilling a contract.

Next Steps

At their next February meetings, the Boards will discuss the following topics:

1. Measuring progress for a service
2. Identifying distinct goods or services
3. Onerous test
4. Gift cards and breakage.

General Announcements: None.