

MINUTES



Financial Accounting
Standards Board

To: FASB Board Members

From: Risks and Uncertainties Team
(Formerly Going Concern)
[Carpenter, x443]

Subject: Minutes of the October 26, 2011 Board Meeting **Date:** October 27, 2011

cc: Cosper, Bielstein, Proestakes, North, Bhave, Glotzer, Carpenter, Maladstova, Stewart, Klimek, Gabriele, Sutay, FASB 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 an Accounting Standards Update or a Statement of Financial Accounting Concepts.

Topic: Disclosures about Risks and Uncertainties and the Liquidation Basis of Accounting (Formerly Going Concern)

Basis for Discussion: Board Memos No. 13A, 14, 15

Length of Discussion: 9:00 a.m. to 10:15 a.m. (EST)

Attendance:

Board members present:	Seidman, Buck, Golden, Linsmeier, Schroeder, Siegel, Smith
Staff in charge of topic:	North, Bhave
Other staff at Board table:	Cosper, Proestakes, Glotzer, Carpenter, Maladstova
Outside participants:	None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the scope of the project. The Board has not determined the timing of the release of any related due process document.

Summary of Decisions Reached:

The Board discussed the project's scope and overall objectives. The Board decided that improving disclosures that would serve as an early warning of an entity's potential inability to continue as a going concern **would not** be an objective of this project, since the Board tentatively decided to add incremental disclosures about liquidity risk in the separate project on accounting for financial instruments.

The Board postponed making a decision about whether the management of an entity, as opposed to its outside accountants, should have primary responsibility for generating the going-concern assessment. Instead, the Board instructed the staff to perform additional work to determine whether the term *substantial doubt* can be defined in a way that would be operable and not conflict with auditing guidance to be developed by the Public Company Accounting Oversight Board and the Auditing Standards Board of the American Institute of Certified Public Accountants.