

MINUTES



Financial Accounting  
Standards Board

**To:** Board Members  
**From:** Not-for-Profit Financial Reporting Team (Nolan x353)  
**Subject:** Minutes of the November 9, 2011 Board Meeting  
**Date:** November 10, 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: Not-for-Profit Financial Reporting Agenda Decision

Basis for Discussion: FASB Memo 1: Not-for-Profit Financial Reporting Agenda Request

FASB Memo 2: Not-for-Profit Financial Reporting Agenda Request

Length of Discussion: 9:00 a.m. to 9:30 a.m. EDT

Attendance:

Board members present: Seidman, Buck, Golden, Linsmeier, Schroeder, and Seigel

Board members absent: Smith

Staff in charge of topic: Bossio

Other staff at Board table: Cospier, Mechanick, Posta, and Nolan

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues relating to adding one or more projects to the agenda addressing not-for-profit financial reporting.

The type and timing of the release of initial due process documents is to be determined.

**Summary of Decisions Reached:**

The Board discussed whether to add one or more projects to its agenda to improve the existing standards for presentation of financial statements and related disclosures for not-for-profit entities. After considering input and advice from Board members, the FASB's Not-for-Profit Advisory Committee, and others, the Chairman decided to add two agenda projects—a standards-setting project and a research project.

The standards-setting project will reexamine existing standards for financial statement presentation by not-for-profit entities, focusing on improving:

1. Net asset classification requirements
2. Information provided in financial statements and notes about liquidity, financial performance, and cash flows.

The research project will study communications other than financial statements that not-for-profit entities use to tell their financial story. The FASB staff will, for example, review existing best practices followed by not-for-profit entities to discern how such communications enhance the understanding of donors, creditors, and other stakeholders about the financial health and performance of the organization and seek volunteers to experiment with possible communication techniques. Through this effort, the Board expects to learn whether educational or standard-setting efforts can contribute to promoting such other effective means of communication.

**General Announcements:** Mr Smith was absent from the meeting, but Ms. Seidman noted that he had expressed to her his strong support for adding the projects to the Board's agenda.