

MINUTES



MEMORANDUM

To: Board Members
From: Or, x212
Subject: Minutes of May 7, 2014 Going Concern Board Meeting
Date: May 8, 2014
cc: Stacey 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: Going Concern

Basis for Discussion: FASB Memo No. 45

Length of Discussion: 8:15 a.m. to 9:45 a.m. (EDT)

Attendance:

Board members present: Golden, Buck, Kroeker, Linsmeier, Schroeder, Siegel, and Smith

Board members absent: None

Staff in charge of topic: Or

Other staff at Board table: Cosper and Proestakes

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 Accounting Standards Update addressing Going Concern.

Please see the current technical plan for information about the project timeline.

Tentative Board Decisions:

The Board continued its redeliberations of its June 2013 proposed Accounting Standards Update, *Presentation of Financial Statements (Topic 205): Disclosure of Uncertainties about an Entity's Going Concern Presumption*, and made the following decisions:

The Assessment Date and the Look-Forward Period

1. Management's assessment of an entity's ability to continue as a going concern should be based on relevant conditions or events known or reasonably knowable at the date the financial statements are issued (or for a nonpublic entity, the date the financial statements are available to be issued). (Vote: 7-0)
2. The look-forward period (that is, the period over which the entity's ability to meet its obligations is assessed) should be one year from the date the financial statements are issued (or for a nonpublic entity, the date the financial statements are available to be issued). (Vote: 5-2)

Nonpublic Entities

3. The standard will apply to both public and nonpublic entities. (Vote: 7-0)

Transition and Effective Date

4. All entities will apply the new requirements prospectively for annual periods beginning after December 15, 2015, and in interim periods thereafter. Early adoption is permitted.

(Transition method—Vote: 7-0)

(*Annual periods and interim periods thereafter*—Vote: 4-3)

(December 15, 2015—Vote: 5-2)

(Early adoption permitted—Vote: 4-3)

Authorization to Proceed to a Ballot Draft

5. The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.

(Two Board members expressed their intent to dissent from the final Accounting Standards Update.)

General Announcements: None.