

MINUTES



MEMORANDUM

To: Board Members
From: FASB staff
Subject: Minutes of NFPFS August 27, 2014 Board Meeting
Date: August 29, 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: NFP Note Disclosures

Basis for Discussion: Board Memorandum 28A

Length of Discussion: 11:30 a.m. to 12:10 p.m. EDT

Attendance:

Board members present: Golden, Buck, Kroeker, Linsmeier, Schroeder, Siegel, and Smith
Board members absent: N/A
Staff in charge of topic: Cole and Willette
Other staff at Board table: Bossio, Cospers, Mechanick, and Tipton
Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft addressing the project on financial statements of not-for-profit entities (NFP) project. The Board has not yet determined the timing of the release of that Exposure Draft.

Tentative Board Decisions:

The Board continued its initial deliberations, focusing on whether to require NFPs to disclose the following information:

Salaries and Benefits Expense

The Board previously decided to require an NFP to report investment returns net of external and direct internal investment expenses and, for practical reasons, to no longer require disclosure of investment-related expenses that have been netted against investment revenues. To address concerns about the potential loss of relevant salary and benefit-related information, the Board decided that an NFP would disclose the amount of internal salaries and benefits, if any, that have been netted against investment return. (Vote: 5-2)

Cost-Allocation

The Board decided that notes to financial statements should include a description of the method used to allocate costs among program and support functions. (Vote: 4-3) The Board also decided to refine the Codification's definition of *management and general activities* and to provide additional implementation guidance to better depict which support costs should be allocated among program and/or support functions. (Vote: 7-0)

Tax-Exempt Status

The Board affirmed its previous decision not to require an NFP to disclose its tax-exempt status; thus, a business-oriented NFP health care entity would no longer be required to disclose its tax-exempt status in accordance with paragraph 954-740-50-1. (Vote: 7-0)

General Announcements: None.