

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Concepts Team (Alqamoussi x263)  
**Subject:** Minutes of December 16, 2014,  
Conceptual Framework Board Meeting  
**Date:** December 19, 2014  
**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:** Conceptual Framework—Measurement and Presentation

**Basis for Discussion:** FASB Memo 10-11: Determining Changes in Carrying Amounts – Liabilities, Presentation – Subtotals

**Length of Discussion:** December 16, 2014: 9:00AM to 10:00AM EST

**Attendance:**

Board members present: Golden (by phone), Kroeker, Buck, Linsmeier, Schroeder, Siegel, Smith

Board members absent: None

Staff in charge of topic: Lott

Other staff at Board table: Cosper, Switter, Leisenring, Alqamoussi

Outside participants: None

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

The Board met to discuss how to proceed with the conceptual framework project.

Please refer to the current technical plan for information about project timelines.

**Tentative Board Decisions:**

*Measurement*

The Board discussed how to separate liabilities into categories that will facilitate future discussions of how to determine changes in their carrying amounts. The Board identified three broad types: liabilities with fixed amounts and timings, liabilities with variable amounts or variable amounts and timings, and liabilities with fixed amounts and variable timings. The Board noted that the same method of determining carrying amounts may not necessarily be appropriate for every liability in a category. Considerations to be discussed at future meetings include (1) when it would be appropriate to update carrying amounts for changes in cash flow estimates or discount rates, (2) the effect of the cost constraint, and (3) the effects on net income or comprehensive income of any changes in carrying amounts.

[FASB: 7-0]

*Presentation*

The Board decided that line items should be the primary focus in developing standards for presentation in financial statements. The Board also decided that the activity from which (or within which) the recognized item resulted is the primary factor for identifying useful subtotals in an income statement and that the timing of realization or settlement is the primary factor in identifying useful subtotals on the balance sheet.

Finally, the Board decided to postpone discussions about other comprehensive income in the conceptual framework project until it has further discussions in its project on financial performance reporting.

[FASB: 7-0]

**General Announcements:**

None.