

MINUTES



MEMORANDUM

To: Board Members
From: Simplification of Debt Issuance Cost Team (Silver x399)
Subject: Minutes of the February 18, 2015, Board Meeting
Date: February 25, 2015
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: Simplification of the Presentation of Debt Issuance Cost

Basis for Discussion: FASB Memorandum No. 2—Comment Letter Summary and Redeliberations

Length of Discussion: 4:25 PM to 4:50 PM

Attendance:

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

Board members absent: None

Staff in charge of topic: Gupta

Other staff at Board table: Cosper and Silver

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 the simplification of the presentation of debt issuance costs.

The Board's technical plan calls for a final Accounting Standards Update to be issued in the second quarter of 2015.

Tentative Board Decisions:

The Board redeliberated the October 2014 proposed Accounting Standards Update, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Cost*, in light of stakeholder feedback received.

Presentation of Debt Issuance Cost

The Board affirmed the proposal to require that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, in the same manner as debt discounts or premiums. (Vote: 4-3)

Transition Method

The Board affirmed the proposal to require retrospective application of the change to all periods presented in the financial statements. (Vote: 7-0)

Transition Disclosures

The Board affirmed the proposal to require disclosure of the nature of and reason for the change in accounting principle, a description of the prior-period information that has been retrospectively adjusted, and the effect of the change on the financial statement line items. (Vote: 7-0)

Effective Date and Early Adoption

The Board decided that public business entities would be required to apply the change in annual periods, and interim periods within those annual periods, beginning after December 15, 2015 (Vote: 7-0). Nonpublic entities would apply the change in annual periods beginning after December 15, 2015 and interim periods beginning after December 15, 2016 (Vote: 5-2). The Board decided to allow all entities the option of early application (Vote: 6-1).

Next Steps

The Board directed the staff to draft an Accounting Standards Update for vote by written ballot (Vote: 7-0).

General Announcements: None.