

MINUTES



MEMORANDUM

To: Board Members

From: Statement of Cash Flows Team
(Rizzuto x442)

Subject: Minutes of the April 1, 2015 Board Meeting on Clarifying Certain Existing Principles on Statement of Cash Flows

Date: April 8, 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: Statement of Cash Flows

Basis for Discussion: FASB Memo 4: Classification of Cash Flows

Length of Discussion: 10:20 a.m. to 11:25 a.m.

Attendance:

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

Board members absent: None

Staff in charge of topic: Wyss

Other staff at Board table: Cosper, Proestakes, and Rizzuto

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

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

Tentative Board Decisions:

The Board decided that clarifying certain existing principles within Topic 230, Statement of Cash Flows, would only incrementally reduce diversity in practice about the classification of cash receipts and cash payments. Therefore, the Board decided to have the Emerging Issues Task Force (EITF) consider nine specific cash flow issues with the goal of reducing the existing diversity in practice on a timely basis. The nine specific issues to be addressed by the EITF include the classification of cash flows related to settlement of insurance claims, debt prepayment or extinguishment costs, restricted cash, settlement of zero coupon bonds, distributions received from equity method investees, settlement of life insurance contracts, contingent consideration payments made after a business combination, beneficial interests in securitization transactions, and application of the predominance principle.

(Vote: 6 to 1)

The Board also decided to add a research project to its agenda to evaluate ways to improve the guidance on the classification of cash receipts and cash payments.

(Vote: 4 to 3)

General Announcements:

None.