

MINUTES



MEMORANDUM

To: Board Members
From: Revenue Recognition
Subject: Minutes of the April 1, 2015 Board Meeting
Date: April 8, 2015

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: Revenue Recognition – Effective Date

Basis for Discussion: FASB Board Memorandum No. 1 – Agenda Decision, Deliberations, and Permission to Ballot

Length of Discussion: 9:15 a.m. to 10:15 a.m.

Attendance:

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

Board members absent: None

Staff in charge of topic: Barton

Other staff at Board table: Cosper, Walsh and Floyd

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 proposed Accounting Standards Update addressing the deferral of the effective date of Accounting Standards Update 2014-09, *Revenue Recognition (Topic 606): Revenue from Contracts with Customers* (the new revenue standard).

The Board has not yet determined when the proposed Update will be released.

Tentative Board Decisions:

Deferral of the Effective Date

The Board decided to add a project to its technical agenda to defer the effective date of the new revenue standard.

(Vote: 7 to 0)

Period of Deferral

The Board decided to defer the effective date of the new revenue standard by one year. As a result, public entities would apply the new revenue standard to *annual* reporting periods beginning after December 15, 2017. Nonpublic entities would apply the new revenue standard to *annual* reporting periods beginning after December 15, 2018.

Public entities would apply the new revenue standard to *interim* reporting periods within annual reporting periods beginning after December 15, 2017 (that is, a public entity would be required to apply the new revenue standard beginning in the first interim period within the year of adoption). Nonpublic entities would apply the new revenue standard to *interim* reporting periods within annual reporting periods beginning after December 15, 2019 (that is, a nonpublic entity would not be required to apply the new revenue standard in interim periods within the year of adoption).

(Vote: 4 to 3)

Early Adoption Provision

The Board decided to permit both public and nonpublic entities to adopt the new revenue standard early, but not before the original public entity effective date (that is, *annual* periods beginning after December 15, 2016). A public entity would apply the new revenue standard to all *interim* reporting periods within the year of adoption. A nonpublic entity would not be required to apply the new revenue standard in *interim* periods within the year of adoption.

(Vote: 7 to 0)

Next Steps

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot that will include the tentative decisions reached by the Board.

(Vote: 7 to 0)

The Board decided on a 30-day comment period for the proposed Update.

(Vote: 7 to 0)

General Announcements: None