

MINUTES



MEMORANDUM

To: Board Members
From: FASB Staff
Subject: Minutes of NFPFS October 28, 2015 Board Meeting
Date: October 30, 2015
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: Summary of Feedback and Redeliberation Plan

Basis for Discussion: Board Memo 37, 38

Length of Discussion: 9:00 a.m. to 9:10 a.m.
9:30 a.m. to 10:00 a.m.
(technical difficulties occurred from 9:10 to 9:30 a.m.)

Attendance:

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

Board members absent: Siegel

Staff in charge of topic: Cole and Wiley

Other staff at Board table: Bossio, Cosper, Dickson, and Mechanick

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss the staff's summary of feedback received on the April 2015 proposed Accounting Standards Update, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954): Presentation of Financial Statements of Not-for-Profit Entities* and to discuss the recommended plan for redeliberations on issues to be included in the final Accounting Standards Update.

The Board has not yet determined the timing of the release of that final Accounting Standards Update; however, based on the Board decision to divide its redeliberations of the proposed Update into two workstreams, it is now anticipated that its priority will be to issue a final Update in the near-term that addresses some issues and that other issues will require further research and consideration over a longer term.

Tentative Board Decisions:

The Board discussed the staff's summary of feedback received on the April 2015 proposed Accounting Standards Update, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954): Presentation of Financial Statements of Not-for-Profit Entities*. The Board also discussed the recommended plan for redeliberations.

Plan for Redeliberations

The Board decided to divide its redeliberations of the proposed Update into two workstreams.

(Vote: 6-1)

The first workstream would reconsider the following issues that are not dependent on other projects and are improvements the Board might finalize in the near term:

1. Net asset classification scheme, including:
 - a. Disclosure of board-designated funds
 - b. Underwater endowments
 - c. Placed-in-service option for expirations of capital restrictions
2. Expenses, including:
 - a. Expenses by nature and an analysis of expenses by function and nature
 - b. Netting of external and direct internal investment expenses against investment return
 - c. Disclosure of netted investment expenses
 - d. Enhanced disclosures about cost allocations
3. Operating measures: improving disclosures by those not-for-profit entities that choose to present such a measure

4. Improving disclosures of information useful in assessing liquidity
5. Statement of cash flows: methods of presenting operating cash flows.

The second workstream would involve reconsideration of other proposed changes that are likely to require more time to resolve because they involve consideration of alternatives suggested by stakeholders the Board did not previously consider or are related to similar issues being addressed in other projects. Those proposals include:

1. Operating measures: all other elements of the proposal, including:
 - a. Whether to require intermediate measure(s)
 - b. Whether and how to define such measure(s) and what items should or should not be included in the measure(s)
 - c. Alternative disaggregation approaches suggested by stakeholders
2. Statement of cash flows: realignment of certain line items.

(Vote: 6-1)

General Announcements: None.