

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** FASB Staff  
**Subject:** Minutes of NFPFS March 30, 2016 Board Meeting  
**Date:** April 6, 2016  
**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: Transition method, effective date, and early adoption

Basis for Discussion: Board Memo No. 48

Length of Discussion: 9:30 a.m. to 10:00 a.m.

Attendance:

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

Board members absent: None

Staff in charge of topic: Cole

Other staff at Board table: Bossio, Cospers, Khrakovsky, Mechanick, Wiley

Outside participants: None

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

The Board continued its Phase 1 redeliberations on the proposed FASB Accounting Standards Update, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954): Presentation of Financial Statements of Not-for-Profit Entities*, focusing on the transition method and effective date for applying the amendments in the forthcoming final Update.

The staff currently expects that a final Accounting Standards Update for Phase 1 will be issued during the third quarter of 2016. Phase 2 is anticipated to begin after the completion of Phase 1.

**Tentative Board Decisions:**

*Transition Method*

The Board decided that not-for-profit entities (NFPs) should apply the amendments on a retrospective basis for all years presented. However, if presenting comparative financial statements, NFPs would have the option to omit the following information for any years presented before the year of adoption:

1. Analysis of expenses by both functional and natural classification
2. Disclosures around liquidity and availability of resources.

The Board decided that NFPs would not be required to apply the amendments to interim financial statements in the year of adoption, but information for those interim periods would be required to be restated if reported with financial statements for that fiscal year.

(Vote: 5 to 2)

*Early Adoption*

The Board decided to permit early adoption subject to the transition method above.

(Vote: 4 to 3)

*Effective Date*

The Board decided that the amendments would be effective for financial statements for fiscal years beginning after December 15, 2017, and for interim financial statements for periods after that date.

(Vote: unanimous)

**General Announcements:** None.