

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Popovski (x374)  
**Subject:** Minutes of April 11, 2018  
Codification Improvements Board Meeting  
**Date:** April 16, 2018  
**cc:** Dawn Tosches

*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: Codification Improvements

Basis for Discussion: FASB Memo Nos. 2 and 9

Length of Discussion: 9:00 a.m. to 9:45 a.m. EDT

Attendance:

Board members present: Golden, Kroeker, Botosan, Hunt, Monk (via phone), Schroeder, Siegel  
Board members absent: None  
Staff in charge of topic: Cafini  
Other staff at Board table: Cole, Gusap, Popovski, Proestakes, Wyss  
Outside participants: None

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

The Board met to redeliberate the amendments in the proposed Accounting Standards Update, *Technical Corrections and Improvements to Topic 942, Financial Services—Depository and Lending: Elimination of Certain Guidance for Bad Debt Reserves of Savings and Loans*, and the proposed Accounting Standards Update, *Codification Improvements*.

**Tentative Board Decisions:**

**Elimination of Certain Outdated Special Guidance in Subtopic 942-740 for Bad Debt Reserves of Savings and Loans**

*Guidance Related to the Reserve Method of Accounting*

The Board decided to retain the guidance related to the reserve method of accounting for bad debts for income tax purposes.

[Vote: 7-0]

*Comptroller of the Currency's Banking Circular 202*

The Board affirmed its decision to supersede guidance related to Circular 202.

[Vote: 7-0]

*Effective Date*

The Board affirmed that the amendments will be effective upon issuance of a final Accounting Standards Update.

[Vote: 7-0]

*Transition*

The Board affirmed that the amendments will not include transition disclosures.

[Vote: 7-0]

*Next Steps*

The Board directed the staff to draft an Accounting Standards Update for vote by written ballot.

[Vote: 7-0]

## **Codification Improvements**

### *Proposed Amendments*

The Board discussed the proposed amendments and made the following decisions on specific issues:

1. Issue 22 (Offsetting Securities Borrowed and Loaned Transactions)—The Board decided to retain the amendment in the final Update and to further clarify the issue's basis for conclusions.
2. Issue 27 (Addressing the Measurement of Carrying Value for Other Investments)—The Board decided to remove the amendment from the final Update and directed the staff to perform additional analysis on identifying and measuring impairment for not-for-profit entities.
3. Issue 30 (Remove Stable Value Common Collective Trust Fund from Example)—The Board decided to retain the amendment in the final Update and remove all the key assumptions in paragraph 962-325-55-17 and to further clarify the issue's basis for conclusions.

The Board also decided to remove issues 5, 10, and 21 from the final Update. The Board affirmed all other amendments in the proposed Update.

[Vote: 7-0]

### *Effective Date and Transition Guidance*

The Board decided that many of the amendments in the final Update do not require transition guidance and will be effective upon issuance of the final Update. The Board decided that most of the amendments in the final Update will have transition guidance with an effective date of the following:

1. For public business entities: Annual periods beginning after December 15, 2018, including interim periods within those annual periods.
2. For all other entities: Annual periods beginning after December 15, 2019, including interim periods within annual periods beginning after December 15, 2020.

The Board decided there are some conforming amendments in the final Update that have been made to recently issued guidance that is not yet effective that will require the application of the transition and effective date guidance related to the original Accounting Standards Update.

[Vote: 7-0]

*Next Steps*

The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.

[Vote: 7-0]