

MINUTES



MEMORANDUM

To: Board Members
From: Lazzara (x399)
Subject: Minutes of Board Meeting **Date:** January 7, 2019
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: Updating the Definition of *Collections*

Basis for Discussion: FASB Memo No. 4, “Direct Care of Collections, Disclosures, Transition, and Effective Date”

Length of Discussion: 10:00 a.m.to 10:40 a.m. (EST)

Attendance:

Board members present: Golden, Kroeker, Botosan, Buesser, Hunt, and Schroeder
Board members absent: None
Staff in charge of topic: Cole
Other staff at Board table: Mechanick, Peek, and Lazzara
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 final Accounting Standards Update addressing the definition of *collections*. The Board's technical plan calls for that document to be issued in the first quarter of 2019.

Tentative Board Decisions:

The Board discussed the staff's research on *direct care* and completed redeliberations of the proposed Accounting Standards Update, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*. The Board made the following decisions.

Direct Care of Collections

The Board affirmed its decision to update the Codification Master Glossary definition of *collections* to include the concept of direct care. The Board discussed describing direct care in the amendments to the Codification but decided not to include such a description.

(Vote: 5-1)

Disclosures

The Board decided to require that a collection-holding entity disclose its policies for the use of proceeds from deaccessioned (removed) collection items. The Board also decided that if a collection-holding entity allows proceeds from deaccessioned collection items to be used for direct care, the entity will be required to disclose what the entity considers direct care.

(Vote: 6-0)

Transition

The Board decided to require prospective transition.

(Vote: 4-2)

Effective Date

The Board decided that the amendments in the final Update would be effective for all entities for annual periods beginning after December 15, 2019, and for interim periods within annual periods beginning after December 15, 2020.

(Vote: 6-0)

Analysis of Costs and Benefits

The Board concluded that it has received sufficient information and analysis to make an informed decision that the expected benefits of the amendments would justify the expected costs.

(Vote: 6-0)

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