

MINUTES



MEMORANDUM

To: Board Members
From: Swartz, x263
Subject: Minutes of November 6, 2019 Board Meeting
Date: November 11, 2019
cc: 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: Not-for-Profit (NFP) Reporting of Gifts-in-Kind (GIKs)

Basis for Discussion: Memo No. 2, “Scope, Presentation and Disclosure”

Length of Discussion: 9:00 a.m. to 9:45 a.m. (EST)

Attendance:

Board members present: Golden, Kroeker, Botosan, Buesser, Cospers, Hunt, and Schroeder

Board members absent: None

Staff in charge of topic: Gagnon

Other staff at Board table: Mechanick, Lazar, and Swartz

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board discussed issues addressing the development of a proposed Update on not-for-profit (NFP) reporting of gifts-in-kind. Please refer to the current technical plan for information about project timelines.

Tentative Board Decisions:

The Board discussed the scope, presentation, and disclosures of gifts-in-kind (GIKs).

Scope

The Board decided that the scope of the project should be limited to GIKs of nonfinancial assets.

(Vote: 7-0)

Presentation and Disclosure

The Board decided to require a not-for-profit entity (NFP) to present GIKs of nonfinancial assets received in a separate line item in revenue in the statement of activities.

(Vote: 7-0)

The Board decided to require an NFP to disclose GIKs received by category in the footnotes to the financial statements. An NFP also would be required to disclose the following for each category of GIKs received:

1. Qualitative information about whether the GIKs were monetized or utilized and, if utilized, a description of the specific programs or other activities in which those GIKs were used
2. Description of any associated donor restrictions
3. The principal market (or most advantageous market) used in the valuation (in addition to the disclosures required by Topic 820, Fair Value Measurement, relating to valuation techniques and inputs used to arrive at a fair value measure).

(Vote: 7-0)

Transition

The Board decided that an NFP should apply a retrospective method of transition.

(Vote: 7-0)

Next Steps

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot, with a comment period ending on the later of 60 days after issuance or February 28, 2020.

(Vote: 7-0)

General Announcements: None.