

MINUTES



MEMORANDUM

To: Board Members
From: Harris, x376
Subject: Minutes of the November 13, 2019,
Conceptual Framework: Elements **Date:** November 19, 2019
Board Meeting
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: Conceptual Framework: Elements

Basis for Discussion: FASB Memos No. 68, *Definitions: Equity (Net Assets), Investments by and Distributions to Owners, and Comprehensive Income* and No. 69, *Not-for-Profit Net Asset Classifications*

Length of Discussion: 9:38 a.m. to 9:50 a.m. (EST)

Attendance:

Board members present: Golden, Kroeker, Schroeder, Botosan, Hunt, Buesser, Cosper

Board members absent: None

Staff in charge of topic: Switter

Other staff at Board table: Kuhaneck, Leisenring, Proestakes, Cappiello, Durney, Garrett, Harris

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board continued its initial deliberations on the elements phase of the Conceptual Framework project.

Tentative Board Decisions:

The Board decided that:

1. The definition of *equity* (net assets) should remain as the residual interest in the assets of an entity that remains after deducting its liabilities. **(Vote: 6-1)**
2. Subject to drafting improvements, the term *owner* should be explained as the holder of an instrument (or other arrangements, such as partnerships or proprietorships) that creates no obligation of the entity other than in liquidation. **(Vote: 7-0)**
3. The definition of *comprehensive income* should remain as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. It includes all changes in equity during a period except those resulting from investments by and distributions to owners. **(Vote: 6-1)**
4. The Concepts Statement should be consistent with the amendments in Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. **(Vote: 7-0)**

General Announcements: None.