

MINUTES



MEMORANDUM

To: Board Members
From: Mallett (x354)
Subject: Revised Minutes of August 26,
2020, Codification Improvements Board Meeting
Date: September 1, 2020
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 No. 2, "Comment Letter Summary"

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

Attendance:

Board members present: Jones, Kroeker, Botosan, Hunt, Buesser, Cospo

Board members absent: Schroeder (by proxy)

Staff in charge of topic: Cafini

Other staff at Board table: Gabello, Mechanick, Carter, Leisenring, Guasp, Kuhaneck, Mallett, Proestakes

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss comment letter feedback related to the proposed Accounting Standards Update, *Codification improvements*.

Tentative Board Decisions:

The Board redeliberated the amendments in the proposed Update on Codification improvements and made the following decisions.

Proposed Amendments

1. Amendments Excluded from Final Update. The Board decided to exclude proposed issues 37, 38, 40, 42– and 50 from the final Update. Because of concerns about the effective date for those issues, the Board issued them in March 2020 in Accounting Standards Update No. 2020-03, *Codification Improvements to Financial Instruments*.
(Vote: 7-0 [1 by proxy])
2. Section A—Proposed Amendments to Remove References to the Concepts Statements. The Board decided to exclude all issues proposed within Section A from the final Update. The Board also directed the staff to perform additional analysis of those references to Concepts Statements for a separate Accounting Standards Update. The Board also directed the staff to draft a basis for conclusions for those issues within Section A to be included in the separate Update.
(Vote: 6-1 [1 by proxy])

The Board also decided to remove Issue 10, Amendments to Subtopic 805-20, Business Combinations—Identifiable Assets and Liabilities, and Any Noncontrolling Interest, from the Codification Improvements project. The Board will continue its deliberations on this issue in its Recognition and Measurement of Revenue Contracts with Customers under Topic 805 research project.
(Vote: 6-1 [1 by proxy])
3. Section B—Amendments to Disclosure Sections of the Codification. The Board affirmed all other proposed amendments in Section B.
(Vote: 7-0 [1 by proxy])
4. Section C—Other Codification Improvements. The Board affirmed nine other proposed amendments in Section C.
(Vote: 7-0 [1 by proxy])

Effective Date and Transition Guidance

The Board decided that all the amendments in the final Update require transition guidance and an effective date, as follows:

1. For public business entities—annual years beginning after December 15, 2020.
2. For all other entities—annual years beginning after December 15, 2021.

(Vote: 6-1 [1 by proxy])

Analysis of Benefits and Costs

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

(Vote: 7-0 [1 by proxy])

Next Steps

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

(Vote: 7-0 [1 by proxy])

General Announcements: None.