
REPORT OF THE FASB CHAIR

July 1, 2020 through September 30, 2020

ITEM 1: STANDARDS-SETTING ACTIVITIES

A. FINAL STANDARDS AND DOCUMENTS ISSUED FOR PUBLIC COMMENT

1. The Board issued the following final documents:
 - a. Accounting Standards Update No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity*, issued August 5, 2020
 - b. Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, issued September 17, 2020.
2. The Board issued the following proposed documents for public comment:
 - a. Proposed Accounting Standards Update, *Financial Services—Insurance (Topic 944): Effective Date and Early Application* (issued July 9, 2020). Comment deadline: August 24, 2020
 - b. Proposed Concepts Statement, *Concepts Statement No. 8, Conceptual Framework for Financial Reporting—Chapter 4: Elements of Financial Statements* (issued July 16, 2020). Comment deadline: November 13, 2020
 - c. Proposed Accounting Standards Update, *Compensation—Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Option Awards* (a proposal of the Private Company Council) (issued August 17, 2020). Comment deadline: October 1, 2020
 - d. Proposed Accounting Standards Update, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient* (issued September 21, 2020). Comment deadline: November 5, 2020.

B. CHANGES TO THE STANDARDS-SETTING AGENDA

1. The Board added the following projects to its technical agenda:
 - a. Effect of Underwriter Restrictions on Fair Value Measurements
 - b. Leases—Targeted Improvements

- c. Reference Rate Reform—Benchmark Interest Rates for Fair Value Hedges.
2. The Board separated the following issues from its annual Codification Improvements project and added them as separate projects on its technical agenda:
 - a. Codification Improvements—Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities
 - b. Codification Improvements—Amendments to Remove References to the Concepts Statements.
3. The Board added the following research projects to its technical agenda:
 - a. Revenue Recognition—Initial Franchise Fees
 - b. Recognition and Measurement of Revenue Contracts with Customers under Topic 805.
4. The Board considered but did not add the following projects to its agenda:
 - a. Leases Transition Disclosures under Topic 842
 - b. Customer Account Disclosures
 - c. Permitting an Entity to Elect as Its Functional Currency the Parent’s Reporting Currency for All Its Foreign Subsidiaries
 - d. Including the Current Portion of Fixed Assets as an Element of Working Capital.

C. SIGNIFICANT TECHNICAL DECISIONS

1. Identifiable Intangible Assets and Subsequent Accounting for Goodwill:
 - a. The Board discussed the feedback received from its July 2019 Invitation to Comment, *Identifiable Intangible Assets and Subsequent Accounting for Goodwill*, supplemental outreach performed by the staff, and the November 2019 public roundtables.
 - b. The Board discussed the general direction of the project and directed the staff to explore adding amortization to the goodwill impairment model and making other changes to the model.
2. Segment Reporting:
 - a. The Board discussed the investor feedback summary and the plan for deliberations. The Board directed the staff to explore a principle-based disclosure requirement for public entities to disclose significant expense categories by reportable segment.

- b. The Board directed the staff to discontinue future work on clarifying the meaning of the term *regularly provided* segment information and permitting the disclosure of multiple segment performance measures.
3. Revenue Recognition—Practical Expedient for Private Company Franchisors:
- a. The Board discussed an implementation issue in the franchisor industry related to Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*.
 - b. The Board decided to add a project to its technical agenda to facilitate higher quality adoption of Topic 606 to initial franchise fees for franchisors that are not public business entities. A franchisor that is not a public business entity may elect the practical expedient to account for initial services as a single performance obligation if certain criteria are met.
 - c. The Board decided that entities that have not yet adopted Topic 606 should apply the existing transition provisions in Topic 606 and entities that previously adopted Topic 606 should apply a full retrospective method of transition. The full retrospective method of transition would include the entity's first reporting period under Topic 606.
 - d. The Board concluded that it had received sufficient information and analysis to make an informed decision on the perceived costs of the changes and, subject to what it learns in the comment letter process, that the expected benefits would justify the expected costs of the amendments in the proposed Update.
 - e. The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot with a 45-day comment period. The proposed Update was issued on September 21, 2020, and the comment letter deadline is November 5, 2020.
4. Accounting by a Joint Venture for Nonmonetary Assets Contributed by Investors:
- a. The Board continued its initial deliberations on the project. The Board discussed the measurement alternatives and the staff's recent research.
 - b. The Board decided to (1) retain the definition of *joint venture* as it currently appears in the Master Glossary of the Codification, (2) require that a joint venture, upon formation, account for contributions by the venturers as though the joint venture was the acquirer of a business within the scope of Subtopic 805-10, *Business Combinations—Overall*, (3) expand the scope of the project to include all contributions, irrespective of whether they are monetary or nonmonetary, (4) require that a joint venture apply guidance that is similar to the guidance in Topic

805 when measuring assets and liabilities at fair value upon formation, and (5) develop guidance for *formation date* and *formation*.

5. Agenda Prioritization:

- a. The Board discussed the results of staff research and outreach on eight potential projects related to recent agenda requests and other implementation requests.
- b. The Board decided to add a targeted improvements project for Topic 842, Leases, to its technical agenda to address (1) sales-type leases with substantial variable lease payments, (2) remeasurement of lease payments based on a reference index or rate, and (3) reduction of scope in a lease contract. The Board decided not to consider an issue on transition disclosures under Topic 842 as part of that project.
- c. The Board decided to add a project to its technical agenda to address the effect of underwriter restrictions on fair value measurements and formally research the effects of other types of sale restrictions on fair value measurements.
- d. As part of the Board's existing project monitoring reference rate reform initiatives, the Board decided to consider developing a principle for benchmark interest rates eligible for fair value hedge accounting.
- e. The Board decided not to add the following potential projects to its agenda:
 - i. Customer account disclosures
 - ii. Permitting entities to elect as functional currency the parent's reporting currency for all foreign subsidiaries
 - iii. Including the current portion of fixed assets as an element of working capital
 - iv. Fair value hedge accounting for fixed-rate call option monetization strategies. (The Board will consider whether to address this as part of Hedge Accounting—Phase 2 research project.)

6. Leases—Targeted Improvements:

- a. For the project added during the agenda prioritization meeting in 5.b. above, the Board decided that entities that have not adopted Topic 842 as of the effective date of a final Update would follow the transition requirements of Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, and that entities that have adopted Topic 842 as of the effective date of a final Update would be permitted to apply the amendments resulting from each of the three issues either retrospectively (with the earliest period beginning at the original effective date of Topic 842 for that entity) or prospectively. Early adoption of the amendments resulting from each of the three issues would be permitted but no earlier than adoption of Topic 842.

- b. The Board concluded that it had received sufficient information and analysis to make an informed decision on the perceived costs of the changes and, subject to what it learns in the comment letter process, that the expected benefits would justify the expected costs of the amendments in the proposed Update.
 - c. The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot with a 45-day comment period.
- 7. Disclosure Framework: Disclosures—Interim Reporting:
 - a. The Board discussed what changes should be made to the disclosure requirements for interim reporting. The Board decided to (1) add a principle to Topic 270, Interim Reporting, that requires disclosures for significant events or transactions that have material effects on an entity (the principle would result in disclosures that are transaction or event specific), (2) clarify that the disclosure requirements in Topic 270 are subject to a materiality assessment that includes considering the financial statements of the previous annual period, (3) add guidance to Topic 270 stating that the Topic contains a complete listing of interim disclosure requirements, (4) add links to Topic 270 for interim disclosure requirements that are currently included in other Topics, and (5) revise phrasing such as *for all periods presented* to clarify that such phrasing requires comparative disclosure consistent with periods on the face of the financial statements and does not require interim disclosure.
 - b. The Board directed the staff to prepare an analysis of whether the Board should remove disclosure requirements from Topic 270 on the basis of the added principle.
- 8. Improving the Accounting for Asset Acquisitions and Business Combinations:
 - a. The Board affirmed that the objective of the project is to improve the accounting for asset acquisitions and business combinations by narrowing the differences between the two acquisition models (the accounting for acquisitions of assets and for the acquisitions of businesses). The Board directed the staff to consider the existing acquisition models as well as other alternatives to narrow the differences and improve the accounting.
 - b. The Board affirmed that the scope of the project should address the accounting for contingent consideration and transaction costs as well as certain recognition and measurement issues associated with the initial consolidation of a variable interest entity that is not a business. The Board removed narrowing differences between the accounting for in process research and development in acquisitions of assets and acquisitions of businesses and the accounting for reassessments of lease contracts from the scope of the project.

9. Ratification of an EITF Consensus-for-Exposure:
- a. The Board ratified the consensus-for-exposure on Issue No. 19-C, “Warrant Modifications: Issuers’ Accounting for Modifications of Equity Classified Freestanding Call Options That Are Not within the Scope of Topic 718, Compensation—Stock Compensation, or Topic 815—Derivatives and Hedging,” reached by the EITF at its September 3, 2020 meeting and directed the staff to draft a proposed Accounting Standards Update reflecting the consensus-for-exposure for vote by written ballot with a 60-day comment period.
 - b. The Task Force reached a consensus-for-exposure that:
 - i. The scope of this Issue includes modifications of all freestanding equity-classified forwards and options that remain equity classified after modification.
 - ii. An entity should treat a modification of the terms or conditions of freestanding equity-classified forwards and options as an exchange of the original instrument for a new instrument
 - iii. An entity should measure the effect of a modification of freestanding equity-classified forwards and options as the excess, if any, of the fair value of the modified instrument over the fair value of the original instrument immediately before its terms are modified.
 - iv. An entity should recognize the effect of a modification of freestanding equity-classified forwards and options based on the substance of the transaction and provide links to applicable GAAP.
 - v. An entity would have the option to apply the amendments in the proposed Update on a prospective or a full retrospective basis.
10. Recognition and Measurement of Revenue Contracts with Customers under Topic 805:
- a. The Board discussed the potential alternatives for recognition and measurement of revenue contracts with customers acquired in a business combination.
 - b. The Board decided to add a project from its research agenda to its technical agenda to address (1) recognition of a contract liability or contract asset and (2) payment terms and their effect on subsequent revenue recognized by the acquirer.
 - c. The Board decided that:
 - i. The performance obligation concept under Topic 606, Revenue from Contracts with Customers, should be used as the recognition criteria for a

contract liability arising from a revenue contract with a customer acquired in a business combination.

- ii. The timing of consideration or payment terms of an acquired revenue contract should not affect the subsequent amount of revenue recognized by the acquirer and that the Topic 606 approach should be used to measure an acquired revenue contract in a business combination.
 - iii. The scope of this project would cover all contracts that are required to apply the recognition and measurement provisions of Topic 606, such as contracts within the scope of Subtopic 610-20, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets.
 - iv. No incremental or transition disclosures would be necessary.
 - v. The proposed amendments should be adopted prospectively and that there should be an option for early adoption.
- d. The Board concluded that it had received sufficient information and analysis to make an informed decision on the perceived costs of the changes and, subject to what it learns in the comment letter process, that the expected benefits would justify the expected costs of the amendments in the proposed Update.
- e. The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot with a 90-day comment period.
11. Insurance—Deferral of the Effective Date and Amendments to Early Application in Update 2018-12:
- a. The Board discussed comment letter feedback received on its proposed Accounting Standards Update, *Financial Services—Insurance (Topic 944): Effective Date and Early Application*.
 - b. The Board decided to (1) affirm its decision to defer the effective date of the amendments in Accounting Standards Update No. 2018-12, *Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*, for all insurance entities by one year and (2) amend the proposed early application provisions of Update 2018-12 whereby the early application transition date would be either the beginning of the prior period or the earliest period presented.
 - c. The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.
12. Post-Implementation Review (PIR):

- a. The Board discussed PIR as part of two separate Board meetings during the quarter. During those meetings the staff updated the Board on the high-level plans for PIR discussed during the June 2020 Financial Accounting Standards Advisory Council meeting. More specifically, the staff updated the Board on each of the standards currently under review and noted the following:
- i. Revenue— The Revenue Recognition Transition Resource Group (TRG) has responded to 100 submissions, resulting in 60 TRG papers. The Board issued two Updates to defer the effective date of Topic 606, Revenue from Contracts with Customers, and four Updates to clarify or simplify the standard. Most recently, the Board added Revenue Recognition—Practical Expedient for Private Company Franchisors to the technical agenda.
 - ii. Leases— The staff has responded to more than 270 technical inquiries, and the Board has issued 5 Updates aimed at improving and simplifying Topic 842, Leases. At its July 29, 2020 meeting, the Board discussed four issues and decided to add three of those to a targeted improvements project as part of its ongoing PIR efforts. A virtual roundtable was held on September 18, 2020, to discuss broad implementation issues, including those that would apply to private companies, to determine whether the Board needs to take further action.
 - iii. Current Expected Credit Losses (CECL)— The staff has conducted 4 public meetings and issued 23 educational papers through the CECL TRG. The staff also has conducted outreach with various types of stakeholders. The Board has issued five Updates aimed at improving Topic 326, Financial Instruments—Credit Losses. Additionally, the Board deferred the effective date of Topic 326 for public business entities that do not meet the definition of a U.S. Securities and Exchange Commission (SEC) filer, private companies, and not-for-profit organizations. The staff has issued two staff Q&As: Whether the Weighted-Average Remaining Maturity Method Is an Acceptable Method to Estimate Expected Credit Losses, and Developing an Estimate of Expected Credit Losses on Financial Assets. Currently, the staff is monitoring the adoption of CECL by public companies by listening to earnings calls, reading 10-Qs, collecting data, and speaking to investors. The staff plans to hold a roundtable in the first half of 2021.
- b. The staff announced the launch of a dedicated PIR webpage on the FASB website for all items related to PIR. This page is located at www.fasb.org/PIR.

13. The Board is engaged in initial deliberations and redeliberations on several other projects, and while the Board made a number of decisions, none of those decisions were individually significant.

ITEM 2: PREAGENDA RESEARCH

A. CHANGES TO THE RESEARCH AGENDA

1. The Board added a project to its research agenda on the Effect of Sale Restrictions on Fair Value Measurement.
2. The Board moved the following projects from its research agenda to its technical agenda:
 - a. Revenue Recognition—Initial Franchise Fees
 - b. Recognition and Measurement of Revenue Contracts with Customers under Topic 805.

B. SIGNIFICANT RESEARCH ACTIVITIES

1. The staff performed research on:
 - a. Fair value hedge accounting for fixed-rate call option monetization strategies
 - b. Accounting treatment for Ginnie Mae loan buyback program
 - c. Supplier finance programs
 - d. Borrower's accounting for debt modifications
 - e. Combinations of businesses under common control
 - f. Consolidation of a not-for-profit by a for-profit entity sponsor
 - g. Classification of lease liabilities
 - h. Software development cost
 - i. Buying dividends
 - j. Non-GAAP operating measures and diluted earnings per share (EPS)
 - k. Profits interests
 - l. Pushdown of parent's basis in a common control transaction
 - m. Discounting transition under reference rate reform.

C. ACTIVITIES OF THE FINANCIAL ACCOUNTING STANDARDS ADVISORY COUNCIL (FASAC) AND FASB ADVISORY COMMITTEES

1. Seven Board members, the technical director, and several FASB staff members participated in the September 24, 2020 virtual public FASAC meeting. The meeting topics focused on current hot topics, accounting standards and financial statements in the current environment, accounting for research and development costs, and implementation of the credit losses (CECL) standard.
2. The following advisory committee meetings were held:
 - a. Seven Board members, the technical director, the deputy technical director, and several FASB staff members participated in the public meeting of the Not-for-Profit Advisory Committee (NAC) on September 10. Meeting topics focused on COVID-19-related reporting issues; initial post-implementation discussion of Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*; reporting of gifts-in-kind (contributed nonfinancial assets) by not-for-profit entities; implementation of major/other new standards (especially, Leases); and other projects in progress.
3. Advisory committee membership changes:
 - a. None.

OTHER SIGNIFICANT STAKEHOLDER OUTREACH ACTIVITIES

1. Private meeting with the Academic Resource Group (ARG) on August 20, 2020. Seven Board members and the technical director participated on a rotational basis. Several FASB staff members also participated. The meeting topics were the conceptual framework—elements and measurement.
2. Private virtual meeting with the Institute of Management Accountants Financial Reporting Committee (FRC) on September 1, 2020. Three Board members and the technical director participated. The meeting topics included COVID 19 challenges, recent FASB meeting highlights, ED on conceptual framework elements, agenda prioritization, and PIR activity.
3. Private meeting with the Financial Executives Institute on Corporate Reporting (CCR) on September 15, 2020. One Board member and the technical director participated. The topics included an FASB agenda update, lease accounting, disclosure requirements for interim reporting, government assistance, and supplier finance programs.
4. Public meeting with the AICPA Private Companies Practice Section (PCPS) Technical Issues Committee (TIC) on September 22, 2020. Seven Board members, the technical director, and several FASB staff members participated. Updates were provided by the FASB staff on several active projects and a completed project including:

- a. Simplifying the balance sheet classification of debt
 - b. Improving the accounting for asset acquisitions and business combinations (phase 3 of the definition of a business)
 - c. Accounting by a joint venture for nonmonetary assets contributed by investors
 - d. Revenue recognition—practical expedient for private company franchisors
 - e. Leases implementation—targeted improvements project and the leases roundtable held on September 18, 2020
 - f. Identifiable intangible assets and subsequent accounting for goodwill
 - g. Distinguishing liabilities from equity—Update 2020-06.
5. Private meeting with the American Gas Association/Edison Electric Institute on September 25, 2020. Three Board members, the technical director, and several FASB staff participated. The meeting topics were industry issues and trends, COVID 19 issues, and a FASB agenda update.
 6. The FASB chair and the FAF chair met with the Acting Comptroller of the Currency, the Vice Chair and a Governor of the Federal Reserve, the Chairman of the FDIC, and the Chairman of the NCUA. Topics of discussion included CECL, the FASB’s Post-Implementation Review process, and GAAP accounting.
 7. The FASB chair and a Board member met with NAFCU and CUNA CEOs. Topics of discussion included CECL and the FASB’s Post-Implementation Review process.

D. INTERACTION WITH PRIVATE COMPANY STAKEHOLDERS

1. Seven Board members, the technical director, the deputy technical director, and several FASB staff members participated in the September 22, 2020 Private Company Council (PCC) meeting. The PCC discussed and provided input on the recently issued proposed Accounting Standards Update, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*. The PCC also discussed and provided input on FASB projects and various other topics including leases: targeted improvements and the leases roundtable held on September 18, 2020; the disclosure framework—disclosure review: income taxes project; and the working group formation and next steps on the pre-agenda research issue: profits interests and their interrelationship with partnership accounting. The PCC also discussed current issues in financial reporting affecting private companies arising from the COVID-19 pandemic in the areas of accounting for Paycheck Protection Program loans, goodwill and inventory impairment, debt modifications, and

troubled debt restructurings. In coordination with this meeting, the PCC met privately with the AICPA's PCPS TIC to discuss matters of mutual interest.

2. TIC and FASB members discussed the current goodwill impairment guidance and potential alternatives for simplification for private companies. TIC and FASB members also discussed current issues in financial reporting affecting private companies arising from the COVID-19 pandemic in the areas of exit or disposal cost obligations, inventory, contingent liabilities, debt modifications, and government assistance.
3. A two-part PCC Town Hall was held on July 22, 2020, in conjunction with the AICPA ENGAGE 2020 Conference—National Advanced Accounting and Auditing Technical Symposium (NAAATS). The FASB chair, another Board member, two PCC members, and certain FASB staff attended.
4. A PCC Surety Industry Outreach Meeting was held on September 8, 2020. Representatives from several surety companies, one Board member, two PCC members, and certain FASB staff attended. The purpose of the outreach meeting was to understand the surety industry participants' perspectives as users of private company financial statements on a variety of topics such as revenue recognition, leases, balance sheet classification of debt, and current issues in financial reporting arising from the COVID-19 pandemic.

F. SIGNIFICANT PROJECT-SPECIFIC OUTREACH ACTIVITIES

1. The FASB members and staff conducted 125 outreach meetings (15% with investors and other users, 40% with practitioners, 19% with preparers, 14% with regulators, and 12% with others*) to discuss issues in 21 different FASB and EITF active projects or final standards, most notably CECL, leases, and intangible assets and the subsequent accounting for goodwill.
2. Through 40 comment letters and 40 external reviews, the Board received feedback from a range of stakeholder types (54% auditors, 27% financial statement preparers, and 19% others*) on different FASB and EITF projects.

* Others (including consultants, regulators, academics, users, other standard setters, and state societies of CPAs)

EMERGING ISSUES TASK FORCE (EITF) ACTIVITIES

1. Seven Board members, the technical director, and certain FASB staff attended the September 3, 2020 EITF meeting. The Task Force reached a consensus-for-exposure on Issue No. 19-C, "Warrant Modifications: Issuers' Accounting for Modifications of Equity Classified Freestanding Call Options That Are Not within the Scope of Topic 718,

Compensation—Stock Compensation, or Topic 815, Derivatives and Hedging.” The Board ratified the consensus-for-exposure on Issue 19-C at its September 16, 2020 Board meeting and directed the staff to draft a proposed Accounting Standards Update reflecting the consensus-for-exposure. The proposed Update No. 2020-XX, *Earnings Per Share (Topic 260)*, *Debt—Modifications and Extinguishments (Subtopic 470-50)*, *Compensation—Stock Compensation (Topic 718)*, and *Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)—Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Forwards and Options*, is expected to be issued in October, and have a 60-day comment period.

G. INTERNATIONAL ACTIVITIES

1. Activities between the FASB and the IASB were as follows:
 - a. Two Board members participated in the IASB’s World Standard Setters meeting by video conference.
2. Activities between the FASB and other national standards setters included the following:
 - a. The chair, two Board members, and the technical director met by video conference privately with representatives of the Multi-Lateral Network (MLN).
 - b. Three Board members and two staff members participated in the IFASS meeting by video conference.

H. VIDEOS AND WEBINARS

2. The FASB featured 8 videos and 1 webinar:
 - a. Video: Convertible Instruments and Contracts in an Entity's Own Equity
 - b. Video: FASB Seeks Comment on PCC Proposal
 - c. Video: PCC Update on Recent Activities
 - d. Video: FASB Post-Doctoral Fellow Program Long
 - e. Video: FASB Post-Doctoral Fellow Program Short
 - f. Video: Presentation for AITF Conference
 - g. Text Video: FASB’s Liabilities and Equity Standard
 - h. Text Video: The FASB PIR Process
 - i. Webinar: Accounting Educators Webinar.

I. SPEECHES DELIVERED

1. FASB members or staff delivered 19 speeches at different virtual events:
 - a. AICPA Conference on Banks and Savings Institutions
 - b. AICPA ENGAGE Conference—NAAATS
 - c. API Accounting Committee Fall Meeting
 - d. Appraisal Foundation Appraisal Issues Task Force (AITF) Meeting
 - e. Barclays Annual Global Financial Services Conference
 - f. California State University 19th Annual SEC—'Hot Topics' Conference
 - g. CBI 16th Annual Life Sciences Accounting and Reporting Congress
 - h. CohnReznick 2020 FASB Update for Not-for-Profits
 - i. EY Corporate Controllers Leadership Network
 - j. FDIC Advisory Committee on Community Banking
 - k. Fisher College of Business—Ohio State University MAcc Speaker Series
 - l. Global Credit Data North American Conference
 - m. Houston Texas Society of CPAs (TSCPA) Foundation Financial Reporting Symposium
 - n. Luter School of Business, Christopher Newport University Master of Financial Analysis Bootcamp
 - o. Maryland Association of CPAs Government and Not-for-Profit Annual Conference
 - p. National Association of Real Estate Investment Trusts (NAREIT) REITworks Conference 2020
 - q. SEC Institute (a Division of Practising Law Institute) 16th Annual SEC Reporting & FASB Forum for Mid-sized & Smaller Companies
 - r. Tennessee Society of CPAs 2020 Financial Institutions Conference
 - s. University of Oklahoma College Classes Presentations
 - t. University of São Paulo—School of Accounting and Actuarial Science International Conference in Accounting.

J. PRESS RELEASES, MEDIA ADVISORIES, AND SOCIAL MEDIA

1. The FASB issued 16 press releases, media advisories, meeting recaps, or stakeholder emails on a variety of topics with accompanying social media.

K. OTHER COMMUNICATIONS ACTIVITIES AND EDUCATION

1. FASB's PIR web portal debuted in August.
2. FASB Chair Rich Jones's LinkedIn account debuted in July with articles posted in July and August.
3. Interviews, statements, and background interviews were conducted on credit losses and COVID-19, reference rate reform, goodwill, and other topics.

ITEM 3: STRATEGIC, ADMINISTRATIVE, AND PROCEDURAL ACTIVITIES

A. STRATEGIC PLAN ACTIVITIES

1. None.

B. PROFESSIONAL DEVELOPMENT PROGRAMS

1. "Academic Research on Non-GAAP Reporting"
2. "Conceptual Framework for New Hires"
3. "Think Like an Investor Series—Part I: Managing an Intrinsic Value Quantitative Framework."

ITEM 4: FEDERAL GOVERNMENT AND REGULATORY LIAISON ACTIVITIES

A. REPRESENTATIVES OF CONGRESS AND FEDERAL REGULATORY BODIES

1. The FASB chair and the FAF chair participated in Zoom calls with William Pratt (Sen. Warren [D-MA]), Sen. Mike Crapo (R-ID), Rep. Blaine Luetkemeyer (R-MO), Rep. Patrick McHenry (R-NC), Sen. Pat Toomey (R-PA), and Sen. Chris Van Hollen (D-MD), on July 8, 21, 23, 27 and 29, and August 4, respectively. Topics of discussion included CECL, troubled debt restructurings, and the FASB's standard-setting process.
2. The FASB chair, two Board members, and the deputy technical director participated in a quarterly, private liaison meeting with representatives of banking regulators to discuss matters of mutual interest.

3. On September 15, 2020, the U.S. Department of Treasury released the Congressionally mandated study (as required by the Consolidated Appropriations Act for Fiscal Year 2020) on the need, if any, for changes to regulatory capital requirements necessitated by CECL. The study did not provide a definitive assessment of the impact of CECL on financial institutions' regulatory capital, in light of the state of CECL implementation across financial institutions and current market conditions. The study reiterated Treasury's support of the goals of CECL—including providing users of financial statements with more forward-looking information and presenting assets on financial statements in a manner that reflects amounts expected to be collected. Treasury acknowledged the seriousness of concerns that have been raised concerning CECL's potential effects on and implications for regulatory capital, lenders, borrowers, and the economy and provided several recommendations to the FASB, including working closely with prudential regulators. Treasury indicated that it will continue to monitor CECL implementation and consult with relevant stakeholders.

ITEM 3: FAF/FASB/GASB INTERACTION

A. The FASB and GASB meeting minutes were shared with the FASB and GASB Board members and staff.

B. **MEETINGS**

1. The FASB and GASB directors met monthly to discuss their technical agenda projects and other matters of mutual interest.
2. The FASB and GASB chairmen and their respective directors held their quarterly meeting to discuss technical issues and other matters of mutual interest.

C. **DOCUMENT DRAFT REVIEWS**

1. The GASB did not send FASB staff any drafts to review in Q3 2020.
2. The FASB staff distributed the following drafts to the GASB for review:
 - a. Accounting Standards Update, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*
 - b. Accounting Standards Update, *Codification Improvements*
 - c. Accounting Standards Update, *Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs*

- d. Proposed Accounting Standards Update, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*
- e. Proposed Accounting Standards Update, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)*
- f. Proposed Accounting Standards Update, *Leases (Topic 842): Targeted Improvements.*

ITEM 6: XBRL ACTIVITIES

The FASB is responsible for the ongoing development and maintenance of the GAAP Financial Reporting Taxonomy (Taxonomy) and the SEC Reporting Taxonomy (SRT) applicable to public issuers registered with the U.S. Securities and Exchange Commission (SEC).

A. TECHNICAL ACTIVITIES

1. The FASB published Proposed Taxonomy Improvements for Proposed Technical and Other Conforming Improvements for the 2021 SEC Reporting Taxonomy.
2. The FASB Staff published final Taxonomy Implementation Guides for:
 - a. Retirement Benefits—Phase 2
 - b. Financing Receivable and Current Expected Credit Loss Disclosures.
3. The FASB staff published the following final Taxonomy Implementation Guides in in-line format:
 - a. Revenue from Contracts with Customers (Including Statement of Presentation of Revenue and Cost of Revenue)
 - b. Insurance—Long-Duration
 - c. Accounting Changes
 - d. Financing Receivable and Current Expected Credit Loss Disclosures
 - e. Leases under Topic 842.
4. The FASB staff published a proposed Taxonomy Implementation Guide for:
 - a. Extensible Lists: A Guide for Preparers
5. The FASB published Taxonomy Exposure Drafts for:
 - a. Financial Services—Insurance (Topic 944): Effective Date and Early Application

- b. Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient.
 - 6. The FASB staff published on the FASB website “Extensible Enumerations 2.0 Implementation Impact on Service Providers and XBRL Creation Software—Are you Ready?”
- B.** The Taxonomy staff performed significant research in support of Board initiatives. **OUTREACH ACTIVITIES**
- 1. The more significant Taxonomy-related outreach activities this quarter included the following:
 - a. Hosted and participated in meetings of the FASB Taxonomy Advisory Group, XBRL US Data Quality Committee, various XBRL International technical working groups (including Taxonomy staff chairing the XBRL Standards Board and the Entity Specific Disclosure Task Force), the IASB IFRS Taxonomy Consultative Group, and the SEC Division of Economic and Risk Analysis (DERA) staff.

Technical Agenda Overview

Revised October 1, 2020

FRAMEWORK PROJECTS	Current Stage	Timing
Conceptual Framework: Elements	ED out for public comment	Ends Nov 13, 2020
Conceptual Framework: Measurement	Initial deliberations	
Conceptual Framework: Presentation	ED redeliberations	

RECOGNITION & MEASUREMENT: BROAD PROJECTS	Current Stage	Timing
Identifiable Intangible Assets and Subsequent Accounting for Goodwill	Initial deliberations	

RECOGNITION & MEASUREMENT: NARROW PROJECTS	Current Stage	Timing
Accounting by a Joint Venture for Nonmonetary Assets Contributed by Investors	Initial deliberations	
Codification Improvements—Omnibus	Drafting final standard	Q4 2020
Codification Improvements—Amendments to Remove References to the Concepts Statements	ED redeliberations	
Codification Improvements—Financial Instruments—Credit Losses (Vintage Disclosure: Gross Writeoffs and Gross Recoveries)	Initial deliberations	
Codification Improvements—Hedge Accounting	ED redeliberations	
Codification Improvements—Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities	Drafting final standard	Q4 2020
Consolidation Reorganization and Targeted Improvements	ED redeliberations	
Distinguishing Liabilities from Equity Phase 2	Initial deliberations	
Effect of Underwriter Restrictions on Fair Value Measurements	Initial deliberations	
Hedging—Last-of-Layer Method	Initial deliberations	

Improving the Accounting for Asset Acquisitions and Business Combinations	Initial deliberations	
Insurance—Deferral of the Effective Date & Amendments to Early Application in Update 2018-12	Drafting final standard	Q4 2020
Leases—Targeted Improvements	Drafting ED	Q4 2020
PCC Issue No. 2018-01, Practical Expedient to Measure Grant-Date Fair Value of Equity-Classified Share-Based Awards	ED out for public comment	Ends Oct 1, 2020
Recognition and Measurement of Revenue Contracts with Customers under Topic 805	Drafting ED	Q4 2020
RECOGNITION & MEASUREMENT: NARROW PROJECTS (continued)	Current Stage	Timing
Reference Rate Reform	Initial deliberations	
Revenue Recognition—Contract Modifications of Licenses of Intellectual Property (EITF 19-B)	Initial deliberations	
Revenue Recognition—Practical Expedient for Private Company Franchisors	ED out for public comment	Ends Nov 5, 2020
Warrant Modifications: Issuers' Accounting for Modifications of Equity Classified Freestanding Call Options That are Not in the Scope of Topic 718 or Topic 815 (EITF 19-C)	Drafting ED	Q4 2020

PRESENTATION & DISCLOSURE PROJECTS	Current Stage	Timing
Disclosure Framework: Disclosure Review—Income Taxes	Revised ED redeliberations	
Disclosure Framework: Disclosure Review—Inventory	ED redeliberations	
Disclosure Framework: Disclosures—Interim Reporting	Initial deliberations	
Disclosure Improvements in Response to the SEC's Release on Disclosure Update and Simplification	ED redeliberations	
Disclosures by Business Entities about Government Assistance	ED redeliberations	
Financial Performance Reporting—Disaggregation of Performance Information	Initial deliberations	
Segment Reporting	Initial deliberations	
Simplifying the Balance Sheet Classification of Debt	Revised ED redeliberations	

RESEARCH PROJECTS
Disclosure Review—Intangibles, Share-based Payment, and Foreign Currency
Effect of Sale Restrictions on Fair Value Measurements

Financial Performance Reporting: Financial Statements of Not-for-Profit Entities Structure of the Performance Statement
Hedge Accounting—Phase 2
Income Taxes—Backwards Tracing
Inventory and Cost of Sales
Targeted Improvements to the Statement of Cash Flows
Variable Interest Entity Related Party Guidance