

MINUTES



MEMORANDUM

**To:** Board Members

**From:** Identifiable Intangible Assets and Subsequent Accounting for Goodwill Team

**Subject:** Minutes of April 7, 2021 Board Meeting on Identifiable Intangible Assets and Subsequent Accounting for Goodwill

**Date:** April 14, 2021

**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: Identifiable Intangible Assets and Subsequent Accounting for Goodwill

Basis for Discussion:

FASB Memo 12, "Cover Memo"  
FASB Memo 13, "Recognition of Identifiable Intangible Assets"  
FASB Memo 14, "Goodwill Amortization Period: Factors to Estimate the Useful Life of Goodwill and Cap"

Length of Discussion: 9:00 a.m. to 10:00 a.m. EDT

Attendance:

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

Staff in charge of topic: Sy

Other staff at Board table: Blair, Garavaglia, Mechanick, Sipple, Smith, Um, Warger, and Yates

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 proposed Accounting Standards Update addressing identifiable intangible assets and subsequent accounting for goodwill. The Board has not yet determined the timing of the release of that proposed Update.

**Tentative Board Decisions:**

The Board discussed the staff's research and analysis on (1) subsuming certain identifiable intangible assets in a business combination into goodwill and (2) factors entities could consider when estimating the useful life of goodwill if they choose to deviate from the default period and how such factors might affect the specifics of a potential cap on the amortization period.

The Board directed staff to perform additional research and outreach related to:

1. Users' perspectives on what types of intangibles provide decision-useful information. The Board will use the results from users in future discussions on whether certain identifiable intangibles should be subsumed into goodwill as well as whether certain intangibles should be recognized separately from goodwill.
2. Certain factors that may be used to estimate the useful life of goodwill, including management's estimated payback period.

**General Announcements:** None.