

MINUTES



MEMORANDUM

To: Board Members
From: Chang, x442
Subject: Minutes of the November 11, 2020,
Conceptual Framework: Presentation Board Meeting
Date: November 13, 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: Conceptual Framework—Presentation

Basis for Discussion: FASB Memos No. 50, *Cover Memo*, No. 51, *Aggregation Factors*, No. 52, *Other Comprehensive Income*, and No. 53, *Full Set of Financial Statements*

Length of Discussion: 10:35 a.m.–11:46 a.m. (EST)

Attendance:

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

Board members absent: None

Staff in charge of topic: Switzer

Other staff at Board table: Salo, Leisenring, Proestakes, Chang, Mandarin

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board discussed the feedback from comment letter respondents on several issues related to proposed FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting—Chapter 7, Presentation*.

Tentative Board Decisions:

The Board decided that:

1. Distinguishing between *revenues* and *gains* and *expenses* and *losses* should be addressed in the elements chapter of the conceptual framework. **(Vote: 5-2)**
2. Regarding the aggregation factors in paragraph PR37 of the proposed chapter:
 - a. No additional aggregation factors for grouping line items need to be included in the chapter. **(Vote: 7-0)**
 - b. For certain factors, clarifying modifications need to be made. **(Vote: 7-0)**
 - c. The factors do not need to be in any particular prioritizing order. **(Vote: 7-0)**
 - d. Determining comprehensive income subtotals and the ordering of presentation should be addressed at the standards level, rather than as part of the conceptual framework. **(Vote: 6-1)**
3. The decision that there is no conceptual basis for other comprehensive income should be retained. **(Vote: 7-0)**
4. No additional detail should be added about the articulation and relationship between financial statements. **(Vote: 6-1)**
5. Regarding *full set of financial statements*:
 - a. There should be further discussion on whether there is a more suitable term than *full set of financial statements*. **(Vote: 7-0)**
 - b. The term *full set of financial statements*, or an alternative term decided in the future, should be defined based on its required contents rather than specific statements. **(Vote: 7-0)**
 - c. Notes should be excluded from the term's definition, pending the discussion of whether there should be an alternative term instead of *full set of financial statements*. **(Vote: 7-0)**
 - d. No further explanation on the boundaries of financial statements is needed. **(Vote: 7-0)**
6. Regarding *general purpose financial statements*:
 - a. The term *general purpose financial statements* should be defined as financial statements, related notes, supplementary information, and other means of financial reporting that are consistent with the objective of general purpose financial reporting. **(Vote: 7-0)**

- b. There is no distinction between *general purpose financial statements* and *general purpose financial reporting*. **(Vote: 7-0)**
- c. The term *general purpose financial reporting* should be used instead of *general purpose financial statements*, and previous references to *general purpose financial statements* should be changed in the Concepts Statements. **(Vote: 7-0)**

Next Steps

The Board will discuss additional feedback from comment letter respondents related to proposed Chapter 7 of Concepts Statement 8 at a future Board meeting.

General Announcements:

None.