

MINUTES



MEMORANDUM

**To:** Board Members

**From:** Segment Reporting Project Team  
(Nash)

**Subject:** Minutes of the December 19, 2018  
Segment Reporting Board Meeting

**Date:** December 21, 2018

**cc:** Stacey Sutay

*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: Segment Reporting

Basis for Discussion: Board Memos No. 5, 5(a), and 5(b)

Length of Discussion: 8:00 a.m. to 9:00 a.m. EST

Attendance:

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

Board members absent: None

Staff in charge of topic: Mottley

Other staff at Board table: Proestakes, Nash, Roe, Gee, Cole and Cosper

Outside participants: N/A

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues related to the segment reporting project. The Board has yet to determine the type and timing of a due-process document.

**Tentative Board Decisions:**

The Board discussed feedback received on the 2018 segment aggregation study. That study considered alternatives to improve the aggregation criteria and the reportable segments process.

The Board acknowledged the challenges identified by participants in the study. Specifically, the Board was concerned that the alternatives could increase the frequency of restatements of segment information in prior reporting periods. The Board also was concerned about the incentive for entities to use the flexibility within the management approach to work around the alternatives. Overall, the Board was not persuaded that the alternatives provided cost-beneficial solutions.

The Board discussed whether to combine the Financial Performance Reporting project with the Segment Reporting project. The Board acknowledged the relationship between the two and that the findings in one project could be useful to the other. However, the Board concluded that the two projects should remain separate.

*Next Steps*

The Board directed the staff to focus next on the segment disclosure requirements in order to facilitate a second segment reporting study. As part of that effort, the staff will analyze options to improve how the management approach applies to the segment disclosure requirements; specifically, the meaning of “regularly reviewed” information. The staff plan to bring that analysis to the Board at a later date.

The Board plans to make technical decisions upon the conclusion of both studies.

**General Announcements:** None.