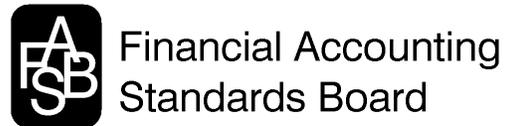


MINUTES



**To:** Board Members  
**From:** Prince (x229)  
**Subject:** Minutes of the April 16, 2008 Board Meeting: Proposed FSP SOP 90-7-a      **Date:** April 30, 2008  
**cc:** FASB: Golden, MacDonald, Bielstein, Leisenring, Cosper, Chookaszian, Posta, Glotzer, Chandy Smith, Mechanick, Gabriele, Klimek, Allen, Lott, Maples, Intranet

*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 a final Statement, Interpretation, or FSP.*

Topic: Proposed FSP SOP 90-7-a, *An Amendment of AICPA Statement of Position 90-7*  
Basis for Discussion: Memorandum #1 dated April 3, 2008  
Length of Discussion: 9:00 to 9:10am

Attendance:

Board members present: Herz, Batavick, Crooch, Linsmeier, Smith, and Young  
Board members absent: Seidman  
Staff in charge of topic: Prince  
Other staff at Board table: Golden, Cosper  
Outside participants: None

Summary of Decisions Reached:

The Board decided to modify paragraph 6 of the proposed FSP to clarify that entities emerging from bankruptcy and adopting fresh-start reporting are not precluded from early adopting an accounting principle, even if early adoption was permitted by the accounting standard. The Board also decided not to expand the scope of the project to address other concerns raised by respondents during the comment period. Finally, the Board granted the staff permission to proceed to a ballot draft of a final FSP for vote by written ballot.

Objective of Meeting:

The purpose of this meeting was for the Board to consider two issues highlighted in comment letters received on the proposed FASB Staff Position (FSP) SOP 90-7-a, *An Amendment of AICPA Statement of Position 90-7*. The objective was met.

Matters Discussed and Decisions Reached:

**ISSUE 1—EARLY ADOPTION OF ACCOUNTING STANDARDS**

1. Mr. Prince stated that several respondents noted in their comment letters that paragraph 6 of the proposed FSP could be read as precluding an entity applying fresh-start reporting from early adopting an accounting standard even if that accounting standard permits early adoption. Mr. Prince also stated that the staff believes the intent of the FSP is to allow an entity to early adopt accounting standards when early adoption is permitted by those standards.

**Issue 1 Staff Recommendation**

2. The staff recommended that paragraph 6 of the FSP be modified to clarify that intent.

**Issue 1 Board Vote**

3. The Board unanimously agreed (Seidman by proxy) with the staff's recommendation.

**ISSUE 2—CONSIDERATION OF ADDITIONAL REVISIONS**

4. Mr. Prince stated that the staff received a comment letter from the Association of Insolvency and Restructuring Advisors which requested that the Board add financial

reporting in bankruptcy to its agenda and to consider materials that the association submitted to the Board in April 2006. Other respondents were concerned about a lack of guidance surrounding Statement 141(R). For example, Deloitte wanted the Board to consider the interaction of Statement 141(R) and SOP 90-7, specifically, potential implementation issues that may arise.

5. Mr. Prince stated that the staff believes addressing financial reporting in bankruptcy and comprehensively reviewing SOP 90-7 are beyond the scope of this limited-scope project.

#### **Issue 2 Staff Recommendation**

6. The staff recommended that the proposed FSP not be revised to address these other suggestions raised by respondents.

#### **Issue 2 Board Vote**

7. The Board unanimously agreed (Seidman by proxy) not to expand the scope of the project.

#### **Other Matters Discussed**

8. The Board directed the staff to proceed to a draft of a final FSP for vote by written ballot.

#### Follow-Up Items:

None.

#### General Announcements:

None.