

## MINUTES



Financial Accounting  
Standards Board

**To:** Board Members

**From:** Presentation of Comprehensive  
Income: Reclassification of Items of  
Other Comprehensive Income Team  
(Ward x279)

**Subject:** Minutes of the October 21, 2011  
Board Meeting

**Date:** October 25, 2011

**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: Presentation of Comprehensive Income:  
Reclassifications of Items of Other  
Comprehensive Income

Basis for Discussion: Board Memo No. 1

Length of Discussion: 10:00 a.m. – 10:30 a.m. EDT

Attendance:

Board members present: FASB: Seidman, Buck, Linsmeier, Golden,  
Schroeder, Siegel, and Smith

Board members absent: None

Staff in charge of topic: Donoghue

Other staff at Board table: Proestakes, Watanabe, and Ward

Outside participants: Baldurs (IASB)

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

The Board met to discuss issues relating to the development of a final Accounting Standards Update addressing the presentation of reclassifications of items of comprehensive income. The Board's technical plan calls for an Exposure Draft to be issued in the fourth quarter of 2011.

**Summary of Decisions Reached:**

The Board discussed the operational concerns of stakeholders about the presentation requirements for reclassification adjustments in Accounting Standards Update No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. The Board also discussed feedback received from the Investors Technical Advisory Committee (ITAC), in which members of that group were generally not sympathetic to permitting an option to present reclassification adjustments in footnote disclosures. Members of ITAC generally agreed that the requirements of the Update for presenting reclassification adjustments and the impact of reclassifications on net income are useful to financial statement users.

The Board decided that the specific requirement to present items that are reclassified from other comprehensive income to net income alongside their respective components of net income and other comprehensive income will be deferred. Therefore, those requirements will not be effective for public entities for fiscal years and interim periods within those years beginning after December 15, 2011. Similarly, those requirements also will not be effective for nonpublic entities for fiscal years ending after December 15, 2012. The Board directed the staff to draft a proposed Update for vote by written ballot that would supersede the applicable paragraphs of pending content in Topic 220, effectively deferring those requirements until the Board can consider stakeholders' concerns about how they are applied. Key provisions for those requirements pertain primarily to paragraphs 220-10-45-17, 220-10-55-7 through 55-9, and 220-10-55-18. The Board decided that the comment period on the Exposure Draft will be no shorter than 15 days.

While the Board is considering the operational concerns about presentation requirements for reclassification adjustments, entities will continue to report reclassifications out of accumulated other comprehensive income according to the applicable provisions in effect before Update 2011-05.

The Board's decisions do not affect the requirement to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. Public entities will be required to apply that requirement in fiscal years and interim periods within those years beginning after December 15, 2011. Nonpublic entities will be required to begin applying that requirement in fiscal years ending after December 15, 2012, and interim and annual periods thereafter.

The Board voted unanimously on all of the above decisions.