

MINUTES



To: FASB Board Members
From: Van Wagenen, x264
Subject: Minutes of the February 13, 2013 Board Meeting **Date:** February 20, 2013
cc: 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: Liquidation Basis

Basis for Discussion: Board Memos No. 30, 31, 31A, and 32

Length of Discussion: 3:00 p.m. to 4:15 p.m. (EST)

Attendance:

Board members present:	Seidman, Buck, Golden, Linsmeier, Schroeder, Smith, and Siegel
Board members participating via phone:	None
Board members absent:	None
Staff in charge of topic:	North
Other staff at Board table:	Cosper, Cantlon, and Van Wagenen
Outside participants:	None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss remaining issues with the proposed liquidation basis reporting model.

The Technical Plan states that the final Accounting Standards Update will be issued in the first quarter of 2013.

Summary of Decisions Reached:

The Board discussed the following issues and made the decisions as noted below.

Scope

The Board decided that the standard will apply to all entities except investment companies regulated under the SEC's Investment Company Act of 1940.

The Board also affirmed its previous decision that there is no need for differential requirements for nonpublic companies.

Recognition and Measurement

The Board decided that the standard will provide specific recognition and measurement guidance only for an entity's assets and the accruals of expected future income and expenses. An entity should recognize and measure its liabilities under the requirements of otherwise applicable U.S. GAAP. In applying those requirements, the entity might adjust the balance of a liability to reflect changes in the entity's assumptions about the timing and amount of repayments of the liability; however, the entity should not anticipate legal release.

The Board also confirmed the staff's understanding of how an entity should apply its previous decisions on recognition and measurement to items that the entity had not previously recognized as assets but which the entity plans to sell in liquidation. The Board discussed that an entity should recognize those items in the statement of net assets in liquidation separately from the accrual of expected income and expenses and that the entity should not deduct estimated disposal costs from the cash it expects to receive in exchange for those items.

Presentation

The Board discussed the requirements in the proposed standard about presentation in the period of adoption. The Board decided not to change those requirements; however, the Board clarified that the standard will not require an

entity to present information about any of its activities that preceded the date when liquidation became imminent.

The Board decided to clarify that, in addition to disclosures specifically required under the standard, an entity should provide other disclosures required by U.S. GAAP if those disclosures remain relevant to understanding the entity during its liquidation.

Transition and Other Matters

The Board affirmed the requirements in the proposed standard that an entity should apply the liquidation basis of accounting from the date when liquidation became imminent. Additionally, the first statement of changes in net assets should present only changes in net assets that occurred during the period since liquidation became imminent.

The Board decided that an entity already applying the liquidation basis of accounting as of the effective date of the standard will be required to apply a cumulative-effect adjustment to adjust for any changes needed to comply with the standard.

The Board decided that the standard will be effective for entities that enter liquidation during reporting periods beginning after December 15, 2013. Early adoption will be permitted.

The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.