

MINUTES



MEMORANDUM

To: Board Members
From: Tibbetts, x384
Subject: Minutes of the November 19, 2014, Board Meeting
Date: November 20, 2014
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: Disclosure Framework: Board's Decision Process—Materiality

Basis for Discussion: FASB Memo No. 61

Length of Discussion: 10:00 a.m. to 10:40 a.m. (EST)

Attendance:

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

Board members participating via phone: None

Board members absent: None

Staff in charge of topic: Cappiello

Other staff at Board table: Cosper, Lott, Dordik, Tibbetts, and Jensen

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss whether the definition of materiality in FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting*, should be modified.

Please refer to the current technical plan for information about the project timeline.

Tentative Board Decisions:

The Board discussed whether and, if so, how the discussion of materiality in FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting*, should be modified. The Board decided to:

1. Change the description of materiality in Concepts Statement 8 to explain that materiality is a legal concept that varies by jurisdiction. Concepts Statement 8 will include the U.S. Supreme Court's description (7-0).
2. Retain the notion that materiality is an entity-specific judgment and that it is different from relevance, which is assessed by the Board (7-0).

General Announcements: None.