

MINUTES



MEMORANDUM

To: Board Members
From: FASB staff
Subject: Minutes of the July 9, 2015 Board Meeting
Date: July 15, 2015

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: Revenue Recognition – Effective Date

Basis for Discussion: FASB Board Memorandum No. 4

Length of Discussion: 10:00 a.m. to 10:30 a.m.

Attendance:

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

Board members absent: None

Staff in charge of topic: Barton

Other staff at Board table: Cosper, Walsh, Mazzella, Floyd, and Kallner

Outside participants: None

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 deferral of the effective date of Accounting Standards Update 2014-09, *Revenue Recognition (Topic 606): Revenue from Contracts with Customers* (the new revenue standard).

The Board's technical plan calls for that document to be issued in the third quarter of 2015.

Tentative Board Decisions:

The Board discussed comments received on its proposed Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*. The proposed Update would defer the effective date of the guidance in Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (the new revenue standard), for all entities by one year. The proposed Update also would allow entities to apply the new revenue standard as of the original effective date.

Deferral of the Effective Date

The Board affirmed its proposal to defer the effective date of the guidance in the new revenue standard.

(Vote: 7 to 0)

Period of Deferral

The Board affirmed its proposal to defer the effective date of the guidance in the new revenue standard for all entities by one year. As a result, public business entities, certain not-for-profit entities, and certain employee benefit plans will apply the guidance in the new revenue standard to *annual* reporting periods beginning after December 15, 2017. All other entities will apply the guidance in the new revenue standard to *annual* reporting periods beginning after December 15, 2018.

Public business entities, certain not-for-profit entities, and certain employee benefit plans will apply the guidance in the new revenue standard to *interim* reporting periods within annual reporting periods beginning after December 15, 2017 (that is, beginning in the first interim period within the year of adoption). All other entities will apply the guidance in the new revenue standard to *interim* reporting periods within annual reporting periods beginning after December 15, 2019 (that is, all other entities will not be required to apply the guidance in the new revenue standard in interim periods within the year of adoption).

(Vote: 5 to 2)

Early Adoption Provision

The Board affirmed its proposal to permit all entities to apply the guidance in the new revenue standard early, but not before the original effective date for public business entities, certain not-for-profit entities, and certain employee benefit plans (that is, annual periods beginning after December 15, 2016). Public business entities, certain not-for-profit entities, and certain employee benefit plans choosing this option will apply the guidance in the new revenue standard to all *interim* reporting periods within the year of adoption. All other entities will not be required to apply the guidance in the new revenue standard until *interim* periods after the first year of adoption.

(Vote: 6 to 1)

Optional Two-Year Deferral

The Board voted not to provide an additional one-year deferral for entities that apply the guidance in the new revenue standard retrospectively to each reporting period presented.

(Vote: 7 to 0)

Next Steps

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

(Vote: 6 to 1)—One Board member plans to dissent on the basis of early adoption concerns.

General Announcements: None