

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** FASB Staff  
**Subject:** Minutes of Board Meeting                      **Date:** April 6, 2016  
**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: Clarifying When a Not-For-Profit Entity That Is a General Partner Should Consolidate a For-Profit Limited Partnership (or Similar Entity)

Basis for Discussion: Board Memo No. 2 (Revised)

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

Attendance:

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

Board members absent: None

Staff in charge of topic: Dhimmar

Other staff at Board table: Bossio, Cole, Collie, Esposito, and Mechanick

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 proposed Accounting Standards Update to clarify when a not-for-profit general partner should consolidate a for-profit limited partnership. The Board's technical plan calls for that document to be issued in the second quarter of 2016.

**Tentative Board Decisions:**

*Clarifying When a Not-for-Profit That Is a General Partner Should Consolidate a For-Profit Limited Partnership (or Similar Entity)*

The Board discussed outreach performed on alternatives that would address when a not-for-profit general partner should consolidate a for-profit limited partnership (or similar entity). The Board also discussed the transition method and whether to proceed with drafting a proposed Accounting Standards Update. The Board made the following decisions.

The Board decided to maintain current practice for not-for-profit general partners by reinstating the consolidation guidance that previously existed in Subtopic 810-20, Consolidation—Control of Partnerships and Similar Entities, and including it in Subtopic 958-810, Not-for-Profit Entities—Consolidation. The guidance in Subtopic 810-20 was removed as a result of amendments in Accounting Standards Update No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*.

(Vote: 6 to 1)

*Special-Purpose-Entity Lessor Guidance*

Because the Board decided to reinstate the consolidation guidance that previously existed in Subtopic 810-20, the Board decided not to supersede the guidance related to a special-purpose-entity (SPE) lessors from Subtopic 958-810 and agreed not to perform outreach on the SPE guidance.

(Vote: 7 to 0)

*Transition Guidance*

The Board decided to provide transition guidance because some entities may have early adopted the amendments in Update 2015-02. Those not-for-profit entities that have adopted the amendments in Update 2015-02 would apply the proposed amendments using a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption, or they would apply the amendments retrospectively.

Not-for-profit entities that have not yet adopted the amendments in Update 2015-02 would apply the proposed amendments using the same effective date and transition provisions in Update 2015-02.

(Vote: 7 to 0)

**General Announcements:** The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot, with a comment period of 60 days.