

MINUTES



MEMORANDUM

To: Board Members
From: FASB Staff
Subject: Minutes of GGRANTS June 8, 2016 Board Meeting
Date: June 13, 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: Disclosures by Business Entities about Government Assistance

Basis for Discussion: Board Memo No. 12

Length of Discussion: 9:00 a.m. to 11:00 a.m.

Attendance:

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

Board members absent: Linsmeier

Staff in charge of topic: Gagnon

Other staff at Board table: Mechanick, Smith, De Marco

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 disclosure requirements for government assistance.

The Board has not yet determined the timing of the release of that final Update.

Tentative Board Decisions:

The Board began redeliberations of the proposed Accounting Standards Update, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*, by discussing scope, disclosures, and restrictions. The Board made the following decisions.

Scope

The Board reaffirmed the following decisions about the scope of this project:

1. The project will require guidance that is limited to disclosures.

(Vote: unanimous)

2. The scope will apply to an entity that has entered into a legally enforceable agreement with a government to receive cash, nonmonetary assets, or benefits that reduce or eliminate an entity's expenditures. The Board directed the staff to perform further analysis about the types of nonmonetary assets that should be included within the scope of this project.

(Vote: unanimous)

3. Not-for-profit entities will be excluded from the scope of this project.

(Vote: unanimous)

The Board decided to exclude from the scope of the project:

1. Employee benefit plans

(Vote: 6, 1 abstain)

2. Government assistance that is provided to an entity in the form of benefits that are available in determining taxable income or that are determined or limited on the basis of income tax liability, in accordance with Topic 740, Income Taxes.

(Vote: 6 to 1)

The Board decided to provide examples in the final Update that describe types of benefits that could or could not be considered government assistance.

Disclosure

The Board decided not to require the proposed disclosure about the amount of government assistance received but not recognized directly in the financial statements.

(Vote: 5 to 2)

Restrictions

The Board decided that if an entity omits specific information required by the final Update because the information is legally prohibited from being disclosed, the entity should disclose a description of the general nature of the information omitted and the specific source of the legal prohibition.

(Vote: unanimous)

General Announcements: The Board will continue its redeliberations at a future meeting.