

MINUTES



MEMORANDUM

To: Board Members
From: FASB Staff
Subject: Minutes of NFP RR August 31, 2016 Board Meeting
Date: September 9, 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: Revenue Recognition of Grants and Contracts by Not-for-Profit Entities

Basis for Discussion: Board Memo No. 3—Distinguishing between Conditions and Restrictions for Nonreciprocal Transactions

Length of Discussion: 1:00 p.m. to 2:00 p.m.

Attendance:

Board members present: Golden, Kroeker, Botosan, Buck, Schroeder, Siegel, L. Smith
Board members absent: None
Staff in charge of topic: Cole, Khrakovsky
Other staff at Board table: Cosper, Mechanick, Miklin
Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The staff reported on various ways to improve the existing guidance for distinguishing between conditions and restrictions for nonreciprocal transactions (contributions).

Tentative Board Decisions:

The Board did not make any technical decisions at this meeting. The Board directed the staff to further explore an approach based on the existence of a right of return. The staff will explore the following aspects of that approach: (1) how determinative a right of return should be in indicating the existence of a donor-imposed condition (and the implications of trivial right-of-return stipulations) and (2) whether a right of return must be explicit in an agreement.

The Board also asked the staff to conduct additional outreach and research relating to the proposed approach and its operationality in practice.

General Announcements:

The staff plans to continue to explore solutions that would improve the existing guidance for distinguishing between conditions and restrictions for nonreciprocal transactions.