

MINUTES



MEMORANDUM

To: Board Members
From: FASB Staff
Subject: Minutes of NFP RR February 22, 2017 Board Meeting
Date: February 24, 2017
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 8

Length of Discussion: 9:40 a.m. to 10:40 a.m.

Attendance:

Board members present: Golden, Kroeker, Botosan, Monk, Schroeder, Siegel, Smith

Board members absent: None

Staff in charge of topic: Gagnon

Other staff at Board table: Cosper, Mechanick, Cole, Miklin, Matherson

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 conditional and unconditional contributions.

Tentative Board Decisions:

The Board decided to clarify and refine existing guidance in Subtopic 958-605, Not-for-Profit Entities—Revenue Recognition, by indicating that the definition of a donor-imposed condition would include the following:

1. A right of return, entailing either a return of assets transferred or a release of a promisor from its obligation to transfer assets.

(Vote: unanimous)

2. A barrier that must be overcome before the recipient is entitled to the assets transferred or promised.

(Vote: 6 to 1)

The Board also agreed that the barrier would be described through the use of indicators and illustrative examples.

General Announcements: None.