

MINUTES



MEMORANDUM

To: Board Members
From: Peek (x442)
Subject: Minutes of NFP RR February 14, 2018 Board Meeting
Date: February 16, 2018
cc: Dawn Tosches

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: FASB Memo 17: Conditional Contributions, Disclosures, Transition, Effective Date and Early Adoption, and Simultaneous Release of a Condition and a Restriction

Length of Discussion: 10:45 a.m. to 11:45 a.m.

Attendance:

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

Board members absent: None

Staff in charge of topic: Gagnon

Other staff at Board table: Mechanick, Cole, Popovski, Peek

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 clarification of revenue recognition of grants and contracts by not-for-profit entities.

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

Tentative Board Decisions:

The Board redeliberated the amendments in the proposed Accounting Standards Update, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and made the following decisions:

Conditional Contributions—Indicators to Describe a Barrier

The Board decided to clarify and refine the indicators to describe a barrier, including removing the additional actions indicator in the proposed Update.

(Vote: 6-1)

Contributions Made by a Resource Provider

The Board affirmed that the guidance for distinguishing between conditional contributions and unconditional contributions should be similar for both a recipient and a resource provider.

(Vote: 6-1)

Recurring Disclosures by Recipients about Conditional Promises to Give

The Board affirmed the existing disclosure requirements about conditional promises to give.

(Vote: 7-0)

Simultaneous Release of a Condition and a Restriction

The Board decided that the simultaneous release accounting option for restricted contributions could be elected for conditional restricted contributions separately from unconditional restricted contributions.

(Vote: 7-0)

Transition

The Board affirmed that the final amendments should be applied on a modified prospective basis following the effective date to agreements that are either (1) incomplete as of the effective date or (2) entered into after the effective date.

(Vote: 7-0)

Effective Date

The Board affirmed that for recipients, the effective date of the amendments will align with Topic 606, Revenue from Contracts with Customers. The Board decided that for resource providers, the effective date will be delayed by one year.

(Vote: 7-0)

Early Adoption

The Board affirmed that early adoption will be permitted.

(Vote: 7-0)

General Announcements: None