

MINUTES



MEMORANDUM

To: Board Members

From: Segment Reporting Project Team
(Phua)

Subject: Minutes of the July 15, 2020
Segment Reporting Board Meeting

Date: July 20, 2020

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: Segment Reporting

Basis for Discussion: Board Memos No. 11, 12

Length of Discussion: 10:00 a.m. to 11:00 a.m. EDT

Attendance:

Board members present: Jones, Kroeker, Botosan, Buesser, Schroeder, Cospier, and Hunt (all attended via Zoom)

Board members absent: N/A

Staff in charge of topic: Mottley

Other staff at Board table: Kuhaneck, Proestakes, Starkey, Brickman, Smith, Hardister, and Phua (all attended via Zoom)

Outside participants: N/A

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues related to the segment reporting project. The Board has yet to determine the type and timing of a due-process document.

Tentative Board Decisions:

The Board discussed the investor feedback summary and the plan for deliberations.

The Board directed the staff to discontinue future work on two issues:

1. Clarifying the meaning of the term *regularly provided* segment information
2. Permitting the disclosure of multiple segment performance measures.

Next Steps

The Board discussed potentially developing a principle-based disclosure requirement that would require public entities to disclose significant segment expense categories by reportable segment. That requirement could be based on the perspective of information regularly provided to the chief operating decision maker or based on other alternatives. The staff will provide an analysis of different ways to develop the requirement for discussion at a future Board meeting.

General Announcements:

The staff updated the Board on the high-level plans for post-implementation review (PIR) discussed during the June 2020 Financial Accounting Standards Advisory Council meeting. More information about this discussion can be found in the FASAC meeting materials, and in the future, there will be a dedicated PIR webpage on the FASB website.

The staff also provided updates on PIR for three standards:

1. Revenue—The staff continues to conduct outreach related to the revenue standard, including recent work with respect to franchisor fees and the effective date deferral of Topic 606, Revenue from Contracts with Customers, for certain entities.
2. Leases—The Board recently deferred the effective date of Topic 842, Leases, for certain entities. At the end of July, the staff plans to bring a series of issues to the Board for consideration to address targeted improvements related to feedback received during outreach. Additionally,

the staff is planning to hold a public roundtable, which will include a cross-section of stakeholders, in September.

3. Current Expected Credit Losses (CECL)—The staff has begun the PIR process by listening to calls on first-quarter earnings, reading 10-Q filings, and collecting data from banks that have adopted the standard. The staff also has conducted outreach with users, preparers, practitioners, regulators, and other interested parties. These efforts will continue throughout the remainder of the year.

Next Steps

At the Board meeting at the end of July, the staff will provide its detailed plans and efforts with respects to PIR.