

## MINUTES



## MEMORANDUM

**To:** Board Members  
**From:** Daniel, x386  
**Subject:** Minutes of September 22, 2021  
Disclosure of Supplier Finance Program Obligations Board Meeting  
**Date:** September 27, 2021  
**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: Disclosure of Supplier Finance Program Obligations

Basis for Discussion:

FASB Memo No. 4—Rollforward; User Outreach; Interim Disclosures; Transition and Effective Date; Permission to Ballot and Comment Period

Length of Discussion: 9:43 to 10:41 a.m. (EDT)

Attendance:

Board members present: Jones, Kroeker, Botosan, Buesser, Cannon, Cospers, and Hunt

Board members absent: None

Staff in charge of topic: Starkey

Other staff at Board table: Salo, Debbeler, Casas, Smith, Cheng, Paul, and Daniel

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues related to the development of a proposed Accounting Standards Update addressing disclosure of supplier finance program obligations. The Board's technical plan calls for that proposed Accounting Standards Update to be issued in the fourth quarter of 2021.

### **Tentative Board Decisions:**

The Board discussed user outreach, potential disclosures, and transition guidance. The Board made the following decisions:

#### *Disclosures*

The Board decided that the buyer should disclose a rollforward of the amount confirmed by the buyer that is outstanding at the end of the reporting period.

**(Vote 7-0)**

#### *Interim Disclosure*

The Board decided not to create a specific interim disclosure requirement and instead to rely upon principles in Topic 270, Interim Reporting, including those contemplated by the Board in the Disclosure Framework: Disclosures—Interim Reporting project. **(Vote 4-3)**

#### *Transition*

The Board decided that the disclosures should be provided for each period in which a balance sheet is presented. **(Vote 7-0)**

The Board decided to allow early adoption for financial statements that have not been issued or made available for issuance as of the issuance date of amendments in a final Accounting Standards Update. **(Vote 7-0)**

#### *Analysis of Costs and Benefits*

The Board decided that:

1. It has received sufficient information and analysis to make an informed decision on the perceived costs of the changes.
2. Subject to feedback received through the comment letter process, the expected benefits would justify the expected costs of the amendments included in the proposed Update. **(Vote 7-0)**

#### *Next Steps*

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot. **(Vote 7-0)**

The Board decided on a 90-day comment period for the proposed Update. **(Vote 6-1)**

**General Announcements:** None.