

MINUTES



To: Board Members
From: Biittner (x462)
Subject: February 3, 2010 Board Meeting Minutes: Revenue Recognition
Date: March 2, 2010
cc: FASB: Bielstein, Golden, Stoklosa, Proestakes, Posta, Lott, Bement, Gagnon, Cadambi, Zeyher, C. Smith, Glotzer, Mechanick, Gabriele, Chookaszian, Klimek, McGarity, Sutay, Theilken, Biittner, FASB Intranet; IASB: Leisenring, Rees, Clark, Pitman, Brady, Knubley; AASB: Paul; GASB: Reese

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: Effects of the proposed model on existing cost guidance

Basis for Discussion: FASB Memorandums 126A and 126B, dated January 22, 2010

Length of Discussion: 8:00 to 9:15 a.m.

Attendance:

Board members present: FASB: Herz, Linsmeier, Seidman, Siegel, and Smith; IASB: Leisenring

Board members absent: None

Staff in charge of topic: FASB: Bement, Cadambi, Gagnon

Other staff at Board table: FASB: Golden, Proestakes, Biittner and Theilken; IASB: Rees

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft of a proposed Accounting Standards Update on revenue recognition. The Board's technical plan calls for that document to be issued in the second quarter of 2010.

Summary of Decisions Reached:

1. The Board considered the accounting for costs in contracts with customers. The Board decided that an entity should recognize as expenses all costs of obtaining a contract (for example, the costs of selling and marketing, including direct-response advertising). The Board also decided to develop guidance on how an entity should account for the costs of setting up and fulfilling a contract. The Board will consider the nature of that guidance at a future meeting.

General Announcements: None