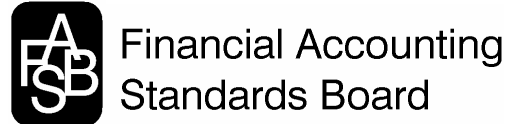


MINUTES



To: Board Members
From: Cosper (ext. 283)
Subject: Minutes of June 27, 2007 Board Meeting: Ratification of EITF Consensuses
Date: July 11, 2007
cc: L. Smith, Bielstein, MacDonald, Golden, Wyatt, Paul, Sarno, Bolash, Jacobs, Stevens, Fanzini, Leverenz, Zecher, Staniszewski, Allen, Gabriele, Polley, Chookaszian, Richter, Leisenring, FASB Intranet

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. Official consensus positions of the EITF are presented in meeting minutes and in EITF Abstracts. Board ratification of a tentative conclusion permits the exposure of a draft abstract for public comment. Board ratification of an EITF consensus completes the overall due process of developing a consensus as set forth in EITF Abstracts, Topic No. D-1, "Implications and Implementation of an EITF Consensus."

Topic: Board ratification of consensuses reached on EITF Issues Nos. 06-11 and 07-3.

Basis for Discussion: Board Memorandum dated June 21, 2007

Length of Discussion: 11:56 a.m. to 12:08 p.m.

Attendance:

Board members present:	Batavick, Crooch, Linsmeier, Seidman, and Trott
Board members absent:	Young, and Herz
Staff in charge of topic:	Cosper
Other staff at Board table:	L. Smith, Paul, and Staniszewski
Outside participants:	Leisenring

Summary of Decisions Reached:

The Board considered and ratified the consensuses reached at the June 14, 2007 EITF meeting in the following two Issues.

1. Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards"
2. Issue No. 07-3, "Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities."

Objective of Meeting:

The objective of the meeting was for the Board to ratify the consensuses reached in two Issues. The objective of the meeting was met.

Matters Discussed and Decisions Reached:

1. Ms. Cospers noted that the staff will bring to the Board the tentative conclusions reached in Issue No. 07-1, "Accounting for Collaborative Arrangements," at a future meeting for ratification consideration. The delay is necessary in order to allow time for the staff to develop examples illustrating the tentative conclusions reached at the June 14, 2007 EITF meeting.

RATIFICATION OF CONSENSUSES

Issue 06-11

2. Ms. Cospers stated that for Issue 06-11, the Task Force affirmed as a consensus the tentative conclusion reached at the November 16, 2006 EITF meeting that a realized income tax benefit from dividends or dividend equivalents that are charged to retained earnings and are paid to employees for equity classified nonvested equity shares, nonvested equity share units, and outstanding equity share options should be recognized as an increase in additional paid-in capital. The amount recognized in additional paid-in capital for the realized income tax benefit from dividends on those awards should be included in the pool of excess tax benefits available to absorb potential future tax deficiencies on share-based payment awards.

3. The Task Force also reached a consensus that adjustments to additional paid-in capital for reclassifications of the tax benefits from dividends on those awards in subsequent periods (that is, when the entity's estimate of forfeitures changes and the related dividends are reclassified between retained earnings and compensation expense) would increase or decrease the entity's pool of excess tax benefits available to absorb tax deficiencies by a corresponding amount. Additionally, the amount of tax benefits from dividends that are reclassified from additional paid-in capital to the income statement (that is, as a reduction of income tax expense or an increase of income tax benefit) when an entity's estimate of forfeitures increases (or actual forfeitures exceed the entity's estimates) should be limited to the entity's pool of excess tax benefits available to absorb tax deficiencies on the date of the reclassification.
4. Additionally, the Task Force reached a consensus that this Issue should be applied prospectively to the income tax benefits that result from dividends on equity-classified employee share-based payment awards that are declared in fiscal years beginning after December 15, 2007, and in interim periods within those fiscal years. Early application is permitted as of the beginning of a fiscal year for which interim or annual financial statements have not yet been issued. Retrospective application to previously issued financial statements is prohibited. Entities shall disclose the nature of any change in their accounting policy for income tax benefits of dividends on share-based payment awards resulting from the adoption of this consensus.
5. The Board agreed to ratify the consensus reached in Issue 06-11 (all Board members agreed).

Issue 07-3

6. Ms. Cospers stated that for Issue 07-3, the Task Force affirmed as a consensus the tentative conclusion reached at the March 15, 2007 EITF meeting that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities should be deferred and capitalized. Such amounts should be recognized as an expense as the goods are delivered or the related services are performed. Entities should continue to evaluate whether they expect the goods to be delivered or services to be rendered. If an entity does not expect the goods to be

delivered or services to be rendered, the capitalized advance payment should be charged to expense.

7. Additionally, the Task Force reached a consensus that this Issue is effective for financial statements issued for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years. Earlier application is not permitted. Entities should report the effects of applying the consensus in this Issue prospectively for new contracts entered into on or after the effective date of this Issue.
8. The Board agreed to ratify the consensus reached in Issue 07-3 (all Board members agreed).

Follow-up Items:

9. None

General Announcements:

10. None