

## Segment Reporting Website Project Page Tentative Board Decisions Reached to Date as of July 2022

Topic	Decisions Reached	Meeting Date
<b><i>Project Scoping, Outreach, and Plan for Initial Deliberations</i></b>		
<i>Agenda Decision and Project Scope</i>	The Board decided to add a project to the technical agenda on segment reporting that will focus on improvements to the segment aggregation criteria and disclosure requirements.	9/20/2017
<i>Project Plan and Interaction with the Disclosure Framework</i>	The Board discussed the project plan and interaction with the disclosure framework.	12/13/2017
<i>2018 Aggregation Study</i>	<p>The Board discussed the feedback received on the 2018 Aggregation Study for two broad alternatives:</p> <ol style="list-style-type: none"> <li>1. Re-order the process for determining reportable segments and move the quantitative thresholds earlier in that process</li> <li>2. Remove the aggregation criteria, thereby making each operating segment reportable, but retain the practical limit guidance.</li> </ol> <p>The Board directed the staff to focus next on the segment disclosure requirements.</p>	<p>2/7/2018 6/13/2018 12/19/2018</p>
<i>2019 Disclosure Study</i>	<p>The Board discussed the content and feedback received on the 2019 Disclosure Study on the following areas of potential improvement:</p> <ol style="list-style-type: none"> <li>1. Requiring additional disclosures by reportable segment by: <ol style="list-style-type: none"> <li>a. Expanding the list of required disclosures in Topic 280, Segment Reporting, to include cost of revenue, research and development expense, a measure of cash flow, and inventory</li> <li>b. Developing principle-based disclosure requirements in addition to the list of required disclosures</li> </ol> </li> <li>2. Improving the segment reconciliation requirements</li> <li>3. Requiring an explanation of the reasons why items from the list of required disclosures are not reported</li> <li>4. Clarifying the meaning of <i>regularly provided</i> segment information</li> <li>5. Including additional general segment disclosure requirements.</li> </ol> <p>The Board discussed this feedback and directed the staff to perform outreach with investors on certain potential segment disclosure improvements.</p>	<p>2/13/2019 4/10/2019 5/29/2019 12/11/2019</p>

2020 Investor Outreach and Active Deliberation Plan	<p>The Board discussed the investor feedback summary and the plan for deliberations. The Board decided to discontinue future work on two issues:</p> <ol style="list-style-type: none"> <li>1. Clarifying the meaning of the term <i>regularly provided</i> segment information</li> <li>2. Permitting the disclosure of multiple segment performance measures.</li> </ol> <p>The Board discussed potentially developing a principle-based disclosure requirement that would require public entities to disclose significant segment expense categories by reportable segment. The Board directed the staff to provide an analysis of different ways to develop the principle.</p>	7/15/2020
<b>Significant Expenses Principle and Related Follow-on Issues</b>		
Significant Expenses Principle	<p>The Board discussed alternative bases for developing a principles-based disclosure requirement that would potentially require public entities to disclose significant segment expense categories by reportable segment. Of the alternatives, the Board decided to pursue a disclosure principle based on the significant segment expense categories that are:</p> <ol style="list-style-type: none"> <li>1. Regularly provided to the chief operating decision maker (CODM)</li> <li>2. Included in the reported measure of segment profit or loss.</li> </ol>	10/7/2020
Order of Applying the Significance Threshold	<p>The Board decided that applying the principle would involve the following steps:</p> <ol style="list-style-type: none"> <li>1. An entity should identify segment expenses from the information that is regularly provided to the CODM.</li> <li>2. The entity should then apply the significance threshold to determine which of those expenses should be disclosed.</li> </ol>	1/20/2021
Significance Threshold	The Board discussed stakeholder feedback that the effect of the <i>significance threshold</i> within the principle may be perceived in different ways. The Board decided to retain the significance threshold and make no further changes.	1/20/2021
Applying the Principle When Multiple Segment Profit or Loss Measures Are Reported	The Board discussed whether to clarify which of a segment's profit or loss measures the principle applies to when multiple measures are reported. The Board decided that the principle should apply to all reported measures of a segment's profit or loss.	1/20/2021 12/8/2021
Reconciliation Requirement	The Board decided not to require the total of the reportable segments' amount for each significant expense category disclosed under the principle to be reconciled to its corresponding consolidated amount. The Board separately decided not to require public entities to map each consolidated expense amount to the income statement lines.	3/10/2021 10/13/2021 4/6/2022

<i>Interaction with Existing Expense Disclosures by Reportable Segment</i>	<p>The Board discussed the interaction between the significant expenses disclosed under the principle and the segment expenses currently required to be disclosed under Topic 280, specifically, (1) interest expense, (2) depreciation, depletion, and amortization expense, (3) income tax expense, and (4) significant noncash items other than depreciation, depletion, and amortization expense.</p> <p>The Board decided to retain the current expense disclosures in Topic 280 and that a public entity would be additionally required to comply with the principle.</p>	3/10/2021
<i>Disclosure of Other Items by Reportable Segment</i>	<p>The Board decided that a public entity would be required to disclose the following information by reportable segment irrespective of whether the CODM is regularly provided with this information:</p> <ol style="list-style-type: none"> <li>1. An amount for <i>other items</i> that is the difference between segment revenue less the significant expenses disclosed under the principle and the segment profit or loss measure</li> <li>2. A description of the composition of other items.</li> </ol> <p>Other items may include (1) insignificant expenses and the remaining expenses included in the reported measure of segment profit or loss that are not separately disclosed under the principle and (2) gains and losses that also are included in the measure of segment profit or loss.</p> <p>A public entity would not be required to reconcile the amount for other items to a corresponding consolidated amount.</p>	3/10/2021
<i>Disclosure If No Significant Expense Categories and Amounts Are Disclosed</i>	<p>The Board decided that a public entity should disclose the nature of the expense information that the CODM uses to manage operations if the entity does not disclose significant expense categories and amounts under the significant expense principle for one or more of its reportable segments.</p>	7/27/2022
<i>Easily Computable Concept</i>	<p>The Board decided to include the easily computable concept as part of the principle. That concept would require public entities to disclose significant segment expense categories and amounts that are easily computable from the management reports that are regularly provided to the CODM.</p>	3/10/2021 10/13/2021
<i>Interim Reporting</i>	<p>The Board decided that a public entity would be required to apply the significant expense principle on an interim basis in addition to an annual basis. The Board also decided that an entity would be required to apply on an interim basis the annual disclosure requirements in paragraphs 280-10-50-22 and 280-10-50-25.</p> <p>The Board further decided not to require additional reconciliations for any interim segment disclosures. Rather, the existing reconciliation for segment profit or loss would be retained.</p>	5/12/2021

<i>Restatement of Prior-Period Segment Information to Conform to Current-Period Segment Information</i>	<p>The Board discussed three circumstances where prior-period segment expense categories could be restated in the current-period financial statements.</p> <p>The Board decided that, unless impracticable, a public entity would be required to restate prior-period segment expense categories to conform to the current-period segment expense categories disclosed under the principle in the following circumstances:</p> <ol style="list-style-type: none"> <li>1. When an entity has new reportable segments in the current period.</li> <li>2. When an entity changes the expense categories in its CODM management reports.</li> </ol> <p>The Board decided that a public entity would not be required to restate prior-period segment expense categories in the current period as a result of changes in measurement methods, although it is preferable to do so.</p> <p>The Board also decided to replace the term <i>restatement</i> of prior-period information with the term <i>recasting</i> of prior-period information within Topic 280, Segment Reporting.</p>	5/12/2021
<i>Single Reportable Segment Entities</i>	<p>The Board considered the implications of applying the principle and the existing segment disclosure requirements to single reportable segment entities. The Board decided to specify that single reportable segment entities should apply all disclosure requirements in Topic 280, Segment Reporting, consistent with requirements for multiple reportable segment entities. The Board decided that the proposed guidance would:</p> <ol style="list-style-type: none"> <li>1. Require that the principle and existing segment disclosure and reconciliation requirements apply to single reportable segment entities</li> <li>2. Include guidance about the profit measure to which those disclosures apply (for example, an internal measure used by the CODM to manage the business).</li> </ol>	10/13/2021
<i>Interest Expense for Financial Operations Segments</i>	<p>Topic 280, Segment Reporting, currently allows a public entity to disclose only net interest revenue for a financial operations segment when a majority of the segment's revenues are from interest and the CODM primarily relies upon net interest revenue to assess segment performance. The Board decided that the proposed Update would require a financial operations segment that discloses net interest revenue to also disclose gross interest expense if that information meets the requirements for disclosure under the significant expense principle.</p>	4/6/2022
<b>Other Disclosure Decisions</b>		
<i>Disclosure of Substantial Changes in Allocating Expenses to the Segments</i>	<p>The Board decided to amend existing guidance in Topic 280 to require a public entity to disclose the nature of any substantial change in expense allocation methods from prior periods that are used to determine the measure of segment profit or loss and the effect, if any, of those changes on the measure of segment profit or loss.</p>	3/10/2021

<i>Disclosure of Multiple Measures of a Segment's Profit or Loss</i>	The Board decided to permit a public entity to report multiple measures of a segment's profit or loss. In those cases, at least one of the reported measures of a segment's profit or loss should be a measure that management determines in accordance with the measurement principles as the most consistent with those used in measuring the corresponding amounts in the consolidated financial statements.	7/27/2022
<i>Title and Position of the CODM</i>	The Board decided to require that a public entity disclose the title and position of its CODM.	7/27/2022
<b>Other Project Matters</b>		
<i>Plan to Complete Initial Deliberations</i>	<p>The Board discussed the next steps of the project in order to complete initial deliberations, which would include deliberating the following items:</p> <ol style="list-style-type: none"> <li>1. Disclosure framework analysis</li> <li>2. Transition method</li> <li>3. External review and discussion of any sweep issues</li> <li>4. Costs and benefits analysis</li> <li>5. Comment letter period.</li> </ol>	10/13/2021
<i>Disclosure Framework</i>	The Board considered the staff's analysis of how the tentative decision to date on potential improvements to segment reporting align with Chapter 8, <i>Notes to Financial Statements</i> , of Concepts Statement No. 8.	12/8/2021
<i>Transition</i>	<p>The Board discussed transition and decided that:</p> <ol style="list-style-type: none"> <li>1. The proposed amendments should be applied retrospectively for each comparative period that an income statement is presented.</li> <li>2. When applying the amendments retrospectively, a public entity should first apply the principle to identify the significant segment expense categories and amounts for the current period presented (that is, the period of adoption). The entity should then disclose the comparative period amounts for those same categories.</li> </ol> <p>The Board also decided that a public entity should provide a qualitative transition disclosure about certain changes to the segment expenses included in the management reports that are regularly provided to the CODM.</p> <p>The Board considered whether to permit an optional transition expedient to not reconcile each significant segment expense category to its corresponding consolidated amount for the comparative periods presented under retrospective transition. The Board decided not to include that expedient as part of the proposed Accounting Standards Update.</p>	12/8/2021

<i>Costs and Benefits</i>	The Board concluded that it has received sufficient information and analysis to make an informed decision on the expected costs of the amendments in the proposed Update and that the expected benefits of those amendments would justify the expected costs.	7/27/2022
<i>Exposure Draft</i>	The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot. The Board decided on a 75-day comment period for the proposed Update.	7/27/2022

For the full list of Tentative Board Decisions on Segment Reporting, please visit the Meeting Minutes page on the FASB website.