

Summary of Decisions Reached—FASB Board Meeting August 27, 2008

At the August 27, 2008 meeting, the Board discussed its plans for incorporating guidance on subsequent events and going concern into U.S. GAAP.

With respect to the going concern guidance, the Board decided that:

1. The guidance should converge with IAS 1, *Presentation of Financial Statements*, and IAS 10, *Events after the Balance Sheet Date*, supplemented by disclosure requirements in AICPA Statement on Auditing Standards No. 1, *Codification of Auditing Standards and Procedures*, AU Section 341, “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern.”
2. The guidance should converge with IAS literature with respect to the time horizon for the going concern assessment.

The Board also affirmed the decisions it has reached to date on the subsequent events guidance. Specifically, the Board affirmed that:

1. The guidance should reflect the principles underpinning the current subsequent events guidance in existing accounting standards and in the auditing requirements contained in AICPA Statement on Auditing Standards 1, AU Section 560, “Subsequent Events.”
2. Certain minor differences between U.S. GAAP and IFRS should be eliminated or minimized. However, the guidance should not address inconsistencies or differences between U.S. GAAP and IFRS in the following areas:
 - Refinancing of short-term obligations
 - Curing breaches of borrowing covenants.
3. Subsequent events should be considered for adjustment to or disclosure in the financial statements through the date that the financial statements are issued or first available to be issued, and the date through which subsequent events have been considered should be disclosed in the notes to the financial statements.
4. The guidance will not amend existing standards that are considered to be inconsistent with the principles underpinning AU 560.

The Board decided that, to provide appropriate visibility to this new guidance for constituents, it will issue this guidance as new standards, preceded by an Exposure Draft and comment period. The Board agreed upon a 60-day comment period. The new standards will be effective for financial statements issued after the codification is ratified.

The Board directed the staff to proceed to a draft of proposed Statements for vote by written ballot.