



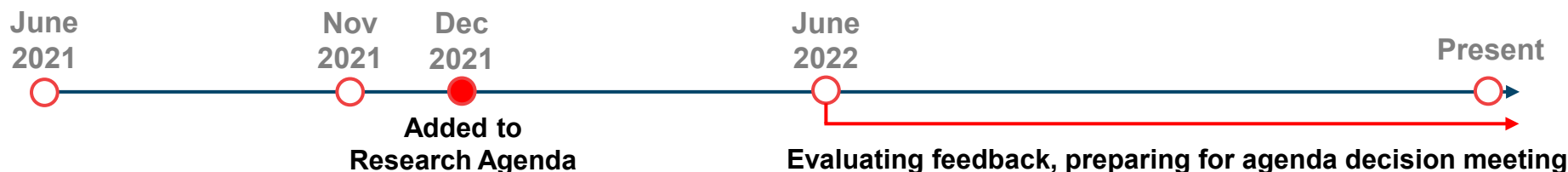
FASB | IASB Education Meeting

September 29, 2023

Accounting For Government Grants

This paper has been prepared for discussion at a public education meeting of the US Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). It is not intended to represent the views of the boards or any individual member of either board or the staff. Comments on the application of IFRS® Accounting Standards or US GAAP do not purport to set out acceptable or unacceptable application of IFRS Accounting Standards or US GAAP. Tentative technical decisions are made in public and reported in FASB Action Alert or in IASB Update. Official positions of the FASB or the IASB are determined after extensive due process and deliberations.

Research Project History



Date	Event
June 2021	The FASB issued the Invitation to Comment (ITC), Agenda Consultation. The ITC asked whether the Board should pursue a project on the recognition and measurement of government grants to business entities, and, if so, whether the Board should leverage an existing model, such as the one in IAS 20 or Subtopic 958- 605 or develop a new model. The ITC also asked what types of government grants should be in scope.
Nov 2021	The Board issued Accounting Standards Update 2021-10, <i>Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance</i> .
Dec 2021	The FASB Chair added a project, Accounting for Government Grants, Invitation to Comment, to the research agenda.
June 2022	The FASB staff issued the Invitation to Comment (ITC), <i>Accounting for Government Grants by Business Entities: Potential Incorporation of IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, into Generally Accepted Accounting Principles</i> , with a comment letter due date of September 12, 2022.
Q3-Q4 2022	FASB staff discussed ITC responses with and obtained additional feedback from advisory groups and other users.
July 2023	FASB staff discussed potential paths forward for recognition, measurement, and presentation of government grants at small group meetings with Board members.
Present	FASB staff continuing to evaluate feedback from stakeholders and Board members and preparing updated analysis for an agenda decision meeting in 2 nd half of 2023.

Invitation To Comment (ITC) Feedback

Many support developing specific authoritative guidance using IAS 20 as a starting point

Overall support for leveraging the scope of IAS 20; general support to exclude transactions that are within the scope of another Topic

Some commented the guidance in IAS 20 is generally operable and understandable

Specific feedback received on (1) timing and pattern of income recognition and (2) recognition threshold

Most did not support optionality in financial statement presentation

Many support gross presentation