



Lessons Learned – Staff Observations

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Staff Observations

Three main areas of comment:

- 1. Negative Values,**
- 2. Extended Elements, and,**
- 3. Axis and Member use.**

Staff Observations - Negative Values

Issue: We have noted many occurrences of filers incorrectly entering negative values within their interactive filings. In the U.S. GAAP taxonomy, most elements are designed to be entered with positive values.

Staff Observations -Negative Values

If an element describes a one way financial reporting concept (e.g. cost of goods sold or dividends paid) the amount should be entered with a positive value. Filers should pay particular attention to elements used to detail tag footnotes where the element describes a loss or accumulated expense.

Staff Observations – Negative Values

For example, the following elements would generally be entered with positive values:

- ❖ Dividends paid in cash or stock,
- ❖ Common or preferred stock issued,
- ❖ Common or preferred stock repurchased,
- ❖ Treasury stock, beginning and ending balances,
- ❖ Treasury stock acquired,
- ❖ Treasury stock reissued,
- ❖ Treasury stock retired,
- ❖ Accumulated depreciation and amortization,
- ❖ Accumulated other-than-temporary impairments,
- ❖ Allowance for doubtful accounts,
- ❖ Amortization of pension costs,
- ❖ Available-for-sale securities in a continuous loss position, and,
- ❖ Available-for-sale securities, gross unrealized losses.

Staff Observations -Negative Values

If an element describes a two way financial reporting concept which may have either positive or negative values (e.g. net income (loss), gain (loss) on investments, or increase (decrease) in accounts payable) filers should look to the element's definition, balance attribute and standard label to determine whether the amount should be entered with a positive or negative value.

Staff Observations – Negative Values

Income Statement

	Amount in HTML Filing	Balance type in HTML filing	Value in Interactive Data Filing
Revenue	100	Credit	Positive
Expenses	(80)	Debit	Positive
Operating income	20	Credit	Positive
Income tax expense	(5)	Debit	Positive
Net income, including portion attributable to noncontrolling interest	15	Credit	Positive
Net income attributable to noncontrolling interest	(5)	Debit	Positive
Net income attributable to parent	10	Credit	Positive

Staff Observations – Negative Values

Balance Sheet	Amount in HTML Filing	Balance type in HTML filing	Value in Interactive Data Filing
Assets			
Cash	20	Debit	Positive
Accounts receivable	15	Debit	Positive
Allowance for doubtful accounts	(5)	Credit	Positive
Accounts receivable, net	10	Debit	Positive
Property, plant and equipment	30	Debit	Positive
Accumulated depreciation	(20)	Credit	Positive
Property, plant and equipment, net	10	Debit	Positive
Total assets	40	Debit	Positive
Liabilities			
Accounts payable	5	Credit	Positive
Short-term debt	5	Credit	Positive
Long-term debt	10	Credit	Positive
Total liabilities	20	Credit	Positive
Stockholders' equity			
Common stock	10	Credit	Positive
Treasury stock	(5)	Debit	Positive
Retained earnings	15	Credit	Positive
Total stockholders' equity	20	Credit	Positive

Staff Observations – Negative Values

Stockholders Equity	Amount in HTML Filing	Balance type in HTML filing	Value in Interactive Data Filing
Common stock, beginning balance	5	Credit	Positive
Common stock issued	10	Credit	Positive
Common stock repurchased	(5)	Debit	Positive
Common stock, ending balance	10	Credit	Positive
Treasury stock, beginning balance	(2)	Debit	Positive
Treasury stock acquired	(5)	Debit	Positive
Treasury stock reissued	2	Credit	Positive
Treasury stock, ending balance	(5)	Debit	Positive
Retained earnings, beginning balance	10	Credit	Positive
Net income	10	Credit	Positive
Dividends declared	(5)	Debit	Positive
Retained earnings, ending balance	15	Credit	Positive

Staff Observations – Negative Values

Cash Flow Statement	Amount in HTML Filing	Balance type in HTML filing	Value in Interactive Data Filing
Operating activities			
Net income	10	Credit	Positive
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	5	Debit	Positive
Gain on sale of investments (two way element)	(6)	Credit	Positive
Loss on sale of property (two way element)	2	Debit	Negative
Changes in assets and liabilities			
Increase in accounts receivable (two way element)	(10)	Credit	Positive
Decrease in inventories (two way element)	5	Debit	Negative
Increase in accounts payable (two way element)	3	Debit	Positive
Decrease in other liabilities (two way element)	(5)	Credit	Negative
Net cash provided by operating activities (two way element)	4	Debit	Positive
Investing activities			
Payments for productive assets	(9)	Credit	Positive
Proceeds from sale of long-term investments	2	Debit	Positive
Net cash used in investing activities (two way element)	(7)	Credit	Negative
Financing activities			
Proceeds from short-term debt	5	Debit	Positive
Payments for long-term debt	(10)	Credit	Positive
Proceeds from sale of treasury stock	9	Debit	Positive
Payments of dividends	(3)	Credit	Positive
Net cash provided by financing activities (two way element)	1	Debit	Positive
Increase (decrease) in cash and cash equivalents	(2)	Credit	Negative
Cash and cash equivalents, beginning balance	22	Debit	Positive
Cash and cash equivalents, ending balance	20	Debit	Positive

Staff Observations – Extensions

We noted cases where an extension was made when a USGAAP element was appropriate.

Element search and selection (i.e. reading the definition of an element not just the label) is the area that should take the most amount of time in preparing the Exhibit 101 filing.

Staff Observations – Extensions

- 1. Extending an element when an existing USGAAP element appears appropriate.**
- 2. Extending because of relatively minor additions or deletions to the USGAAP taxonomy definition.**
- 3. Extending because of the context of an element.**
- 4. Extending to ensure that the Exhibit 101 formats in a particular fashion.**

Staff Observations – Extensions issues

Issue: Extending for an element where an existing USGAAP Taxonomy element is appropriate.

Staff Observations – Extensions issues

Issue: Extending because of relatively minor additions or deletions to the USGAAP taxonomy definition.

EFM 6.6.24 “If an element used in numeric facts representing amounts in one or more periods has a definition, then the scope of that definition must include the amounts reported for that line item in the corresponding official HTML/ASCII document.”

Staff Observations – Extensions

Issue: Extending because of the context of an element. Filers are encouraged to follow the new guidance in FAQ E.19 reproduced below.

Guidance:

Q: What context period should be used for an event that occurred during the second quarter for a 12/31 fiscal year end registrant?

A: For an element with period type 'instant', if the disclosure includes the actual date, then use the date on which the event occurred. If the disclosure mentions that the event occurred in the month of May, then use the last day of the month, e.g. 5/31. If the disclosure only mentions that it occurred in the second quarter, then use the second quarter reporting end date of 6/30. For an element with period type 'duration', if the disclosure mentions that the event occurred in the month of May, then use the duration period 5/1 to 5/31. If the disclosure only mentions that it occurred in the second quarter, then use the second quarter period of 4/1 to 6/30.

Staff Observations – Extensions

Issue: Extending elements, Axis, Domains or Members to ensure that the Exhibit 101 renders in a particular fashion.

Guidance: Compliance and Disclosure Interpretation 130.08:

Question: Must an Interactive Data File that complies with the requirements of Rule 405 of Regulation S-T appear identical to the traditional format financial statements when displayed by a viewer on the Commission's website?

Answer: No. There is no such requirement. [May 29, 2009]

Staff Observations – Classes of Stock

We noted that a number of filers had not used the “Statement Class of Stock Axis” to declare classes of stock in the financial statements and Document and Entity Information.

Filers must tag facts that are specific to distinct classes of stock in a statement using the “Statement Class of Stock Axis”. (EFM 6.6.10)

Also note that facts in an instance that apply to all classes of stock should NOT be tagged with a Dimension attribute from the “Statement Class of Stock Axis” because leaving this attribute blank refers to facts about an entire submission, independent of the class of stock. (EFM 6.6.3)

Staff Observations – Consolidated Entities

Consolidated Entity Facts:

- ❖ **For facts that apply to the Consolidated Entity, do not provide any value for LegalEntityAxis.**
- ❖ **Not providing this value means all the facts in an instance relate to the consolidated entity. (EFM 6.6.3).**

Staff Observations – Consolidated Entities

Parent Company Facts:

- ❖ **Use domain member element “Parent Company Member” for facts that apply only to the parent holding company, corporate headquarters, or similar legal entity not associated with any specific subsidiary (EFM 6.6.7).**
- ❖ **Parent company member should not be used as the default for the consolidated entity.**

Staff Observations – Consolidated Entities

Subsidiary Facts:

- ❖ **Create a separate domain member element for each subsidiary. Typically, the element name for subsidiary ABCD would be "ABCDMember" declared on the "Legal Entity Axis". (EFM 6.6.5).**
- ❖ **Note that there is no restriction on using company-specific or period-specific information in the member name. (FAQ E.20) We would encourage filers to create members that can be reused in different periods.**

Staff Observations – Consolidated Entities

Eliminations:

Facts that apply only to eliminations between subsidiaries must have a Consolidation Elimination Member on the Legal Entity Axis. (EFM 6.6.8)

USGAAP modeling of Axis and Members

We have also noted circumstances where filers have not used the modeling of elements currently published in the USGAAP Taxonomy.

**We suggest filers utilize the pre-defined table structure included in the taxonomy and use the related line item elements and domain members to the extent they are applicable for their specific circumstances.
(FAQ E.16)**

Staff Observations – Reviews

- **The SEC staff also plans to communicate overall XBRL filing observations from its reviews.**
- **Although some comments may be communicated to individual registrants, the majority of XBRL comments will be made through a summary report on observations from all XBRL filing reviews.**

Contact the SEC

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