

XBRL Tools

For Small- to Medium-Sized Firms

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XBRL has arrived! Since November 2005, firms have been submitting their financial data to the Securities & Exchange Commission (SEC) in eXtensible Business Reporting Language (XBRL) format on a voluntary basis. Now the SEC has mandated that accelerated filers furnish XBRL-tagged statements for fiscal periods ending on or after June 15, 2009. Proponents lend support to the claim that we are witnessing a financial reporting revolution fueled by XBRL's capability, and new software now makes it easier for small- to medium-sized companies to use XBRL. First, we'll provide a crash course on XBRL and then explain the new tools.

XBRL transforms corporate information so any user can use the data, no matter what system it originated on. At its basic level, XBRL is simply language that virtually all computer systems can read, allowing firm-specific data to be shared across firms. It eliminates problems with different hardware and software configurations and enables comparisons to be easier, more accurate, and economical. To do this, XBRL frees the data from the system it was

originally created on by using tags, which are codes that are universally recognized. Each tag describes each financial report element, such as account name and type of account (for example, asset, expense, etc.). These tags come from a taxonomy—a standard predefined listing of account names. There's a different taxonomy for each major industry type, such as banking, manufacturing, merchandising, and so on.

Major Vendors Implementing XBRL Capabilities

How does XBRL interface with the major ERP products medium- to large-sized firms use? In most cases, major software vendors have embedded XBRL into their financial reporting module. The following information summarizes XBRL capabilities in ERP applications from the major vendors. Although we have listed the individual programs by company name, SAP owns Cartesis, and Oracle owns Hyperion, PeopleSoft, and JD Edwards. Potential users should visit www.sap.com and click through to the financial reporting package and visit www.oracle.com and click through to the XBRL site. But the products listed here haven't changed their approach to XBRL under the new ownership.

SAP

- ◆ SAP has a built-in XBRL tool that was developed by SAP.
- ◆ The tool gathers the data directly from the SAP databases ("data warehouse") and converts it directly into instance documents using various taxonomies.
- ◆ SAP's XBRL tool can create single financial statements or consolidated statements based on the selected taxonomy.
- ◆ The tool has the capability to prepare the statements in a format that is readily publishable to an investor relations website or Web portal.

HYPERION

- ◆ Hyperion has a built-in module called "XBRL Manager."
- ◆ It can create XBRL output directly from Hyperion Financial Management & Hyperion Planning and Hyperion Essbase XTD.
- ◆ Hyperion will be able to create XBRL-tagged financial statements as well as create instance documents natively without the help of another piece of "enabler" software.

CARTESIS

- ◆ Cartesis Finance has built-in XBRL technology within it called the Cartesis XBRL Publishing module.
- ◆ Cartesis has the capability to load a given taxonomy and create instance documents in XBRL format.

ORACLE

- ◆ Oracle GL supports the XBRL standard.
- ◆ Oracle GL's Financial Statement Generator is responsible for loading taxonomy files and creating instance documents in XBRL format.

PEOPLESOFT

- ◆ PeopleSoft General Ledger has the capability to produce instance documents for balance sheets and income statements in XBRL format.

JD EDWARDS

- ◆ JD Edwards has XBRL capabilities similar to those that are available in Oracle and PeopleSoft for creating instance documents in XBRL format.

XBRL GL (General Ledger) is also available, but it's for internal reporting and consolidations only. XBRL GL collects general ledger detail from internal accounting systems, processes the raw data files, and presents the data in a standard, useful, and integrated platform. Since XBRL GL can include nonfinancial data, such as details and descriptions, it can present the detail information necessary for tax, audit, and budgeting tasks that XBRL Financial Reporting (XBRL FR) alone does not. Furthermore, XBRL GL eliminates the repetition of transferring internal accounting data from journal entries, master files, and historical reports to prepare financial statement detail reports, consolidation reports, tax reports, and statutory filings.

Despite the benefits of using XBRL, evidence suggests that obstacles exist that will have to be overcome before companies will fully accept and use XBRL. Peter Derby, managing executive for operations and management at

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the SEC, summarized them in an April 2005 statement regarding XBRL:

“Preparers are faced with an ever-increasing level of complexity in their financial reporting requirements. To employ XBRL, they are tasked with mating these complex financial statements with an equally complex set of technologies, the XBRL Specification, and the appropriate taxonomies. In order to cut through the complexity, these preparers need tools, guidance, and third-party assistance to lead them through the process.”

Complexity arises from the multistep approach required in converting regular financial data into XBRL format, particularly the creation of an instance document. In fact, critics often cite the complexity surrounding instance document generation as one reason that XBRL hasn't been widely accepted. This document essentially matches each numeric value in the general ledger with an account identifier or XBRL tag so data traveling across firms can be compared by XBRL tags. A major barrier has been the availability of tools to lead preparers through the conversion process to create instance documents.

Because the instance document is a necessary prerequisite in the generation of XBRL financial statements, this article is intended as a brief primer, describing the process and reviewing five PC software products that are available for instance document creation. We conclude the article by describing how XBRL is integrated into some enterprise resource planning (ERP) software products.

XBRL: The Instance Document

Data transparency is crucial and is achieved through creating an instance document. At its basic level, an instance document is simply a listing of each account that appears in the general ledger coupled with its unique identifier or tag. In essence, an instance document is a type of roadmap that provides a directional signal indicating where each account appears as well as which accounts are collected into a summary account (different cash accounts into one “cash & cash equivalents” entry on the balance sheet, for example). Most firms that have adopted XBRL actually tag their entire chart of accounts so that all accounts are available for XBRL presentation, even those not currently in use.

To create an instance document, four steps must occur. First, the financial statement preparer must choose a standard taxonomy, which varies by industry (manufacturing, banking, etc.), and download this taxonomy into the XBRL software product. Taxonomies are available free at www.xbrl.org and www.xbrl.us. Second, each individual account value in the preparer's general ledger must be separately matched to (or assigned) a specific XBRL tag (i.e., account identifier) from the standard taxonomy. Each summary value in the general ledger is also assigned a separate XBRL tag. Third, the software edits the tagging process to detect any errors. Once the software corrects the errors, the fourth and final step creates an instance document that provides the blueprint as to how it classified and combined individual accounts.

Although the tagging process appears simple, it becomes complex if the standard taxonomy doesn't include an appropriate tag. This occurs if, say, the organization has a very detailed chart of accounts (with many intercompany accounts, for example) or unique accounts not found in the standard taxonomy, such as multiple classes of stock associated with a complex capital structure. Note: The taxonomies are a starting point, not a fixed template, and they are flexible and adaptable to each organization. In these cases, the financial statement preparer may extend the standard taxonomy by creating a new customized XBRL tag.

Table 1: XBRL Software Packages

	Rivet Software Dragon Tag	Fujitsu Interstage XWand
SETUP	Dragon Tag is an add-in product that directly interfaces with MS Office products ("drag-and-tag").	Requires SUN Java to work. XWand is a stand-alone product that is used in conjunction with preparer's financial statements and other reporting software.
PREPARER INTERFACE	Most of the work takes place within the Profile Pane.	XWand uses many panes that have somewhat similar (and therefore confusing) functionality (i.e., Presentation Link, Calculation Link, etc.).
INSTALLATION	If preparers have both the .NET Framework 1.1 and .NET Framework 2.0 installed on their computers, they need to download and manually patch the software before operating Dragon Tag 1.5.	No installation issues were noted.
FINANCIAL STATEMENT INTERFACE	Balance Sheet and Income Statement elements were added in the same pane, giving better continuity for preparers.	Balance Sheet and Income Statement elements have to be added separately; this is a somewhat repetitive and tedious task for preparers.
INPUTTING REPETITIVE DATA	Dragon Tag doesn't require preparer to create repetitive entries. Instead, a "hopper" entry is created and used throughout the tagging process.	Repetitive data has to be added into multiple fields (i.e., Calculation Link, Presentation Link, etc.).
TAXONOMY INTERFACE	Dragon Tag allows preparers to create taxonomy directly without specifying setting types if appropriate.	Detailed settings available (i.e., Setting USD (U.S. Dollar) units to an ISO specification).
INTERFACE TO TAG VALUES	Drag-and-drop process of tagging values.	Tagging is done somewhat manually; each financial statement value to be tagged must be input manually.
SELECTING STANDARD TAXONOMY	To find tags in selected taxonomy, preparer clicks through several categories. Categories are fairly unique.	To find tags in selected taxonomy, preparer must click through many similar GAAP categories. Somewhat difficult for preparers to be certain they are selecting the correct category.
TARGET MARKET	Dragon Tag appears to be a product for smaller firms who prepare their financial statements from smaller accounting packages and export them into Word or Excel format.	XWand is a somewhat more feature-rich product (and with additional features, additional difficulty is built in). XWand is a Java product that could potentially be packaged with a larger ERP system to provide built-in functionality as well as used as a stand-alone product.

CoreFiling Spider Monkey	Decision Soft True North	Microsoft FRx 6.7
Spider Monkey is written in Java and can be used on most common operating systems.	True North can be found prewritten into Spider Monkey, functioning as the software's validation portion, or it can be downloaded separately as an XBRL validation tool.	FRx is able to connect with most GL software for tagging accounts and is able to generate reporting information into many formats, such as HTML, Excel, Word, etc.
Most of the work takes place in two panes: the relationship tree pane and the configuration pane.	Most of the work takes place in True North's document tab. After selecting an XBRL document for validation, the results can be reviewed in the window below.	Most of the work of creating/modifying the taxonomy is done within the row/column/reporting tree windows. The financial report application can either be accessed via a manual report creation interface or a more user-friendly report wizard user interface.
No installation issues were noted.	No installation issues were noted.	FRx won't download on any computer without at least having .NET Framework 1.1 Service Pack from Microsoft Windows Update installed on the computer. This update is available on the Microsoft website.
Spider Monkey doesn't produce financial statements, but it can be paired with Intelligent Financial Statement (IFS) to generate financial statement user interface.	This program doesn't produce financial statements.	FRx allows users to either manually or via the "Report Wizard" generate almost any type of financial report and convert it into many different end-user formats depending on the needs of the company/user.
Repetitive data has to be added into multiple fields (i.e., Calculation Link, Presentation Link, etc.).	True North didn't require preparer to input repetitive data.	FRx eliminates repetitive data. The software draws data from the GL and is able to modify the data into various types of formats with the single reporting tree.
Spider Monkey allows preparers to create taxonomy directly without specifying setting types if appropriate.	True North doesn't create taxonomy documents; rather, True North is an XBRL document validation tool.	FRx uses determined account types or user-identified account types to tag GL detail.
Tagging is done somewhat manually; each financial statement value to be tagged must be input manually.	True North doesn't create taxonomy documents.	Tagging is done somewhat automatically, drawing accounts and balances from the GL and tagging the line items to specific account titles. But modifications can be made to the tags and reporting trees manually.
Spider Monkey enables users to write taxonomies, but existing taxonomies can also be downloaded and modified.	True North doesn't allow users to write taxonomies, but it validates XBRL documents to identify errors in the mapping.	Users may either select account names from a comprehensive list or go into row detail and create tag names.
Spider Monkey gives the ability for many users to modify and work on a taxonomy simultaneously. A single-user version of the product is also available.	True North comes paired with Spider Monkey as the software's validating portion, but it's also available for separate purchase. True North would be a workable validation tool for any size organization writing XBRL documents.	FRx goes beyond being an XBRL writer. FRx provides the benefit of being able to produce XBRL documents as well as many other forms of output for decision makers in a simple platform. FRx is user friendly for accountants without IT backgrounds.

Table 2: Companies with XBRL SEC Filings

FILER	FORMS FILED IN XBRL	FORMATS AVAILABLE ON INVESTOR RELATIONS WEBSITE	LINK TO SEC XBRL FILING	XBRL VENDOR
3M Co.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Fujitsu XWand
Adobe Systems	10-Q	Adobe PDF	Yes	CoreFiling
AGL Resources Inc.	8-K	Microsoft Word, Adobe PDF, and HTML	No	Edgarizer
Alcoa Inc.	8-K	Adobe PDF and HTML	No	EDGAR Online I-Metrix
Altria Group Inc.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	CoreFiling
Anadarko Petroleum Corp.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	EDGAR Online I-Metrix
Automatic Data Processing Inc.	8-K	Microsoft Word, Adobe PDF, and HTML	No	Rivet Software Dragon Tag
Bank Bradesco	6-K	Microsoft Word, Adobe PDF, and HTML	No	Not Listed
Bowne & Co. Inc.	8-K	Adobe PDF	No	Rivet Software Dragon Tag
Brazilian Petroleum Corp	6-K	Microsoft Word, Adobe PDF, and HTML	Yes	Not Listed
Bristol Myers Squibb Co.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Not Listed
BroadRidge Financial Solutions Inc.	8-K	Adobe PDF, Microsoft Excel, and HTML	Yes	EDGAR Online I-Metrix
Business Objects SA	10-Q	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	BusinessObjects XBRL Publishing
Comcast Corp.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Not Listed
Commonwealth Edison Co.	8-K	Could not find website	-	
Crystal International Travel Group, Inc.	8-K	Microsoft Word and HTML	No	Not Listed
Dow Chemical Co.	10-Q	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Rivet Software Dragon Tag
EDGAR Online Inc.	8-K	HTML	No	EDGAR Online I-Metrix
E.I. du Pont de Nemours & Co.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Rivet Software Dragon Tag
EMC Corp.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Not Listed
Englobal Corp.	8-K	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	CoreFiling
E-Trade Financial Corp.	8-K	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	Not Listed
Exelon Corp.	8-K	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	EDGAR Online I-Metrix
Exelon Generation Co. LLC	8-K	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	EDGAR Online I-Metrix
Ford Motor Co.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	CoreFiling
Ford Motor Credit Co. LLC	8-K	Adobe PDF	No	CoreFiling
General Electric Co.	8-K	Adobe PDF	No	Fujitsu XWand
Hitachi LTD	6-K	Adobe PDF and HTML	Yes	Hitachi XBRL Business Unit
Infosys Technologies Ltd.	6-K	Adobe PDF and Microsoft Excel	No	Rivet Software Dragon Tag
International Business Machines Corp.	8-K	Adobe PDF	Yes	UBMatrix
International Securities Exchange Holdings Inc.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Cognos
Lehman Brothers Holdings Inc.	8-K	Adobe PDF	Yes	Not Listed
Lockheed Martin Corp.	8-K	Adobe PDF, Microsoft Excel, and HTML	No	Not Listed
Microsoft Corp.	8-K	Microsoft Word, Microsoft Excel, and HTML	Yes	Microsoft FRx 6.7 concepts/ Internally Generated
Molina Healthcare Inc.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	EDGAR Online I-Metrix
Net Servicos De Comunicacao SA	6-K	Could not find website	-	Not Listed
NYSE Euronext	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	EDGAR Online I-Metrix
Peco Energy Co.	8-K	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	EDGAR Online I-Metrix
Pepsico Inc.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	Yes	CoreFiling
Pfizer Inc.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Not Listed
PNC Financial Services Group	8-K	Adobe PDF	No	Not Listed
Radyne Corp.	10-Q	Adobe PDF, Microsoft Word, Microsoft Excel, and HTML	No	EDGAR Online I-Metrix
RR Donnelley & Sons Co.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	No	EDGAR Online I-Metrix
Satyam Computer Services Ltd.	6-K	Adobe PDF	No	Not Listed
South Financial Group	8-K	Microsoft Word, Adobe PDF, and HTML	No	Rivet Software Dragon Tag
T. Rowe Price Group Inc.	8-K	Adobe PDF	No	Not Listed
United States Steel Corp.	8-K	Adobe PDF	Yes	EDGAR Online I-Metrix
United Technologies Corp.	8-K	Adobe PDF, Microsoft Excel, and HTML	No	Not Listed
W.R. Grace & Co.	8-k	Microsoft Word, Microsoft Excel, and Adobe PDF	No	Rivet Software Dragon Tag
Xerox Corp.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	Yes	EDGAR Online I-Metrix
XM Satellite Radio Holdings Inc.	8-K	Microsoft Word, Microsoft Excel, and Adobe PDF	Yes	Not Listed

Note: Many companies did not actually prepare their XBRL filing but outsourced this process to RR Donnelley. RR Donnelley used I-Metrix to prepare the filings.

The Products

Since creating instance documents is a necessary prerequisite to generating XBRL-formatted financial statements, software that assists preparers in creating instance documents provides a valuable tool that can accelerate widespread adoption of XBRL. ERP packages (such as SAP or Hyperion) that medium- to large-sized firms use often include an instance document-creation function (see “Major Vendors Implementing XBRL Capabilities,” p.48). But accounting software for small to medium firms, particularly those with PC-based systems that rely on stand-alone software products for financial statement generation, may need specific software to create instance documents. Solutions are now available.

Recently, vendors introduced several products in the small-to-medium-firm market to assist in making instance documents: Dragon Tag, Fujitsu XWand, Spider Monkey, True North, and Microsoft FRx. These products are unique because each can be a stand-alone component of a financial reporting package or a drop-in to Microsoft Office products (e.g., Excel). Indeed, one Big 4 public accounting firm touts Dragon Tag to its clients who lack other XBRL software.

Table 1 lists the available XBRL software packages that create instance documents as well as an assessment of each product’s strengths and weaknesses. Most of these products are available for the PC user; some also are available as a stand-alone system, meaning that the software isn’t beholden to the system used for financial reporting. Microsoft Office supports a number of products, and some even embed themselves directly into Word and Excel (Dragon Tag, for example). Conversely, those products that are truly stand-alone still accept Excel-created financial information. In addition, Macintosh operators can use most XBRL packages since the packages don’t need a particular operating system to run. Dragon Tag provides “open source code” for anyone to download. As for the other software products (Microsoft FRx, etc.), Macs run Microsoft programs with a “drop-in” tool, so people should be able to run the programs. But neither Microsoft nor Apple specifically addresses XBRL and Macs.

Based on our tests of these products, we find most to be easy to use, compatible with the Windows operating environment, and effective in creating an instance document. Some products may be better suited for firms using Microsoft products to generate financial statements (FRx and Dragon Tag), while Fujitsu XWand is probably better for those firms adopting ERP software or those not using

Microsoft for financial statement generation. Finally, Spider Monkey and True North work best when a company uses them in tandem, regardless of whether the financial statement generation software is Microsoft. All products offer inexperienced preparers a menu-driven system that they can navigate reasonably.

Also, there are some XBRL “viewers” that are new to the market. They operate similarly to PowerPoint viewers: You don’t need the application—just the viewer. This solves the problem for someone who wants to read an XBRL-prepared document but doesn’t have XBRL. In addition, Adobe and Core Filings have teamed up to provide a viewer for all of their language users. And Dragon has just introduced a third “product” called CrossView, a tool that helps users link accounts with the proper tag.

A Number of Options

Beginning in November 2005, companies had the option of adopting XBRL for their submissions to the SEC. As part of our review, we examined the websites of each firm that identified the software it used to create its XBRL filings (see Table 2). Our findings indicate that the companies used several software products; no single product emerges as the dominant choice. This implies that companies could use a number of options to achieve compliance now that the SEC has mandated that accelerated filers use XBRL for filing its financial reports.

Products that help address the challenge of using instance documents bring XBRL one step closer to use by companies and organizations such as yours. This means that rekeying data from one format into a separate spreadsheet for further analysis can be avoided, freeing up time for more analysis—not redundant, nonvalue-added activities such as data entry. **SF**

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