



Companies are commonly accustomed to filling out various forms when providing other organizations with information. These include regulatory, tax, licensing and applications for almost anything. In each case, the organization requesting the information designs and creates one or more forms that the applicant uses to provide the information requested.

Once received, the requestor then carries the burden of transcribing the data provided into their proprietary database. In many cases, this is commonly done through manual keypunching.

XBRL is a solution for accomplishing these tasks electronically. The requestor designs and creates one or more electronic forms referred to in XBRL as taxonomies. These are then publicly distributed to interested parties.

The organization who receives and wishes to comply with the request for information must now publish an electronically filled out form using one of the taxonomies received from the requestor. These forms are referred to as instance documents.

The submitter must then validate instance documents prior to transmitting them to the requesting party. In turn, the requestor must be able to receive instance documents, and then parse and validate them against the taxonomy from which they were derived. If successfully validated, the requestor must then move submitted data into its proprietary database. If validation fails, a failure report, enumerating any and all errors must be generated and transmitted back to the submitter indicating the results of the failed validation. In either case, the submitter should get a return receipt indicating that the file was successfully received, regardless of processing results.

Each of these steps presents their own array of issues to be considered. Let's examine some of them.

Security is a major consideration. The data submitted is proprietary and generated only for intended parties. Furthermore, only authorized personnel should have access to taxonomies who should be limited to either the creation and/or editing of them, the generation of instance documents and/or access to the data being used to create them. Each of the above tasks requires independent levels of expertise, and in most cases, would not be the same person. Taxonomy creators/editors have extensive accounting skills, but not necessarily the required computer skills and/or system administrator permissions necessary to generate, send or receive data. Computer systems people most likely lack the expertise for editing taxonomies or reviewing resulting instance documents. Accounting, computing and system administrators need to work together in order to implement a complete XBRL working model.

For example, an investment management company handles portfolios for pension funds. They are required to submit documents to the Securities and Exchange Commission under the Investment Act of 1940. This can be done using XBRL.

The Securities and Exchange Commission first publishes a taxonomy for each required form. The investment company downloads these taxonomies and imports them into Snappy Reports.

The next step requires both policy decisions and data extraction. The investment company must extract the data from their proprietary systems and then map the data to the various pieces of information being requested. The first issue is when to extract. This would optimally be done by an event trigger that fires off when the appropriate data is generated and is ready to be processed through XBRL to be transmitted as an instance document. In the accounting world, this occurs when the books close. A trigger applied to the records and fields in the data table that manages accounting periods and the opening and closing of accounting periods could trigger an event that would automatically generate the necessary data. Our investment company has issues other than accounting periods closing. The S.E.C has specific events that must be reported on that must be taken into consideration.



The submitting organization must decide on what data is required for compliance and how it is to be summed and processed and mapped in GAAP compliance to individual elements in the taxonomy. The investment company is going to be mapping individual pieces of data from their investment system to various elements in the taxonomy. How elements are mapped is a policy decision that will be based on compliance with generally accepted accounting principles. A taxonomy element may receive data from more than one account within the investment system. It is a one to many relationship and data may have to be aggregated and summarized as part of the process.

Fortunately, all of this has to happen only once. After the system is in place, all that needs to happen is that events get fired off, data generated, imported, validated and sent off to the Securities and Exchange Commission as an instance document. Snappy Reports is designed for these purposes.

How instance documents are received by the Securities and Exchange Commission is also important. In computer terminology, the physical transmission of data is called marshalling. The S.E.C will have to set up mechanisms to receive data. Transmission using FTP through a secure connection is an obvious choice. Other choices are e-mail, http or placing files on a compact disk and mailing them off by postal delivery. Snappy Reports can handle these delivery mechanisms.

In either case, the challenges of an organization submitting data will be different than one requesting it. Some organizations will be doing both. Regardless, the opportunity of replacing more labor intensive systems is available through the use of XBRL and Snappy Reports as a scalable enterprise solution for XBRL technology.