



Managing the Added Demands of XBRL Filing

A White Paper from Tri-State Financial, LLC,
a leading provider of corporate and shareholder communications services.

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Situation Overview: SEC Mandates XBRL Filings for Public Companies

On December 17, 2008, the U.S. Securities and Exchange Commission (SEC) voted to adopt a final rule that will make the use of interactive data (XBRL) mandatory for all U.S. public companies over a three-year period. Public companies with a worldwide public float greater than \$5 billion (as of the end of the 2nd Quarter of the previous fiscal year) will begin filing XBRL documents starting with their first fiscal quarter after 6/15/09, followed by all other large accelerated filers with their first fiscal quarter after 6/15/2010, then all other filers with their first fiscal quarter after 6/15/2011. Mutual funds must begin tagging prospectus summary information, generally comprised of objectives, risks, fees and performance, beginning January 2011.

On April 12, 2009, the SEC's **Voluntary** XBRL Filing program will end for all companies except investment management, business development, and other companies covered by Article 6 of Regulation S-X. Beginning on April 13, 2009, the SEC's official rules for XBRL will apply to any XBRL filing for companies that are not allowed under the Voluntary Filing Program, such as Investment Management companies.

What is XBRL Extensible Business Reporting Language (XBRL)

XBRL is an open standard that the Securities & Exchange Commission has selected for its interactive data format. It is a global standard that is being adopted by regulators and exchanges throughout the world. XBRL does not change the content of what is reported rather it allows every piece of financial information to be tagged with a code that acts like a barcode that identifies the content

and its context. Structuring data as such allows computers to understand this information and improve the way financial information is analyzed and even assembled. XBRL is not about establishing new accounting standards but enhancing the usability of the ones that we have

According to Robert Elliot, Chairman of the AICPA:

“XBRL solves two significant problems for users and preparers of financial statements by providing efficient preparation and reliable extraction of financial data across all technology formats, including the Internet.

XBRL works by taking company business reporting data, mapping the structure of the information to XBRL for financial statements, and creating any additional tags needed to render a full set of financial statements. The result of the process is an additional identifier attached to each piece of business data that can provide clues as to its origin, its relationship to other data, the rules used to prepare the information and more...”



The benefits of XBRL

Companies that publish business reporting information coded in XBRL will be creating a means for communicating their data to a universal audience. This can be accomplished because XBRL is designed to be a specification that is the same for all companies and is consistent from one financial statement to another. While we are in the early stages of XBRL implementation and the tools available are still fairly immature, eventually we can expect the following Benefits:

- XBRL data feeds are easily read by other applications, making the information provided quickly and easily accessible to financial professionals.
- Using XBRL automates data collection and analysis, saving time and money.
- XBRL improves the accuracy, clarity and usability of data.

Basic XBRL terminology

Extensible Business Reporting Language has its own lexicon that is important to understand for proper communication in data input and search criteria as well as for understanding search results. The basic terms follow.

Elements: financial concepts, which may be monetary or non-monetary. Also referred to as tags.

Taxonomy: collection of defined elements similar to a dictionary. U.S. GAAP has one taxonomy, IFRS has a different one.

Mapping: matching financial concepts in the financial statements to elements in the taxonomy.

Tagging: using software to link the financial concept to the element.

Extending: when there is a divergence between the financial statement and the taxonomy, users will have to re-label elements, rearrange elements or create new elements.

Instance Document: XBRL-encoded financial documents, including financial statements and mutual fund risk/return summary information (i.e., prospectus summary).

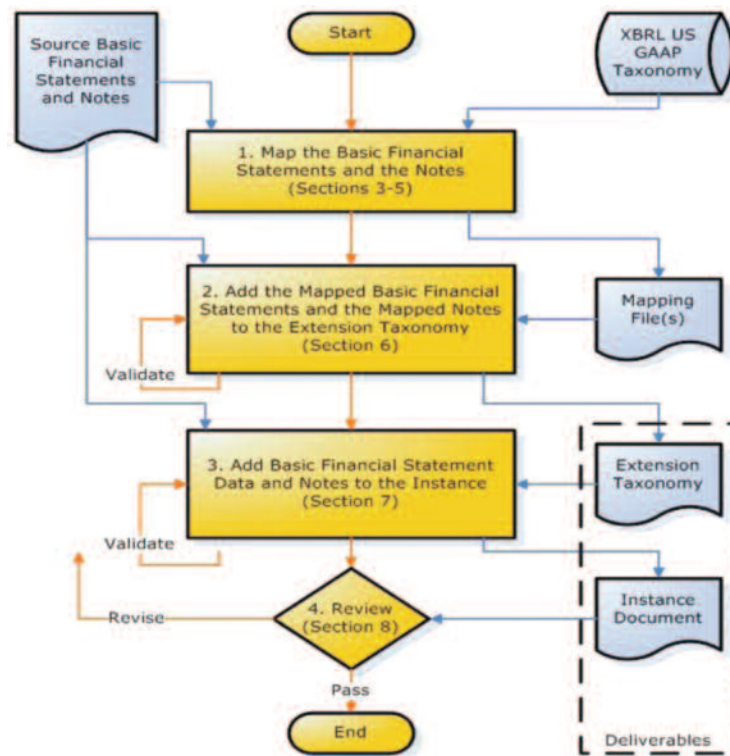


Implementing XBRL

The diagram on the following page presents the basic workflow for creating XBRL-encoded financial statements. The process starts with a complete set of U.S. GAAP compliant financial statements and ends with a valid extension taxonomy and instance document. The first step of the process is mapping the financial statements to the latest version of the taxonomy that contains the standard definitions and structure that most closely reflect the financial statements. Preparers must check the XBRL U.S. website before mapping to ensure that the taxonomy used is the most recent.

This process is based on current practice, in which the financial statement is prepared before the XBRL extension creation or instance document tagging begins. Integrating the extension taxonomy creation into the preparation process for the financial statements offers advantages.

This diagram is taken from XBRL U.S. GAAP Taxonomy Preparers Guide, available on their web site: <http://www.xbrl.us/Documents/PreparersGuide.pdf>



Best practices in implementing XBRL within your company is to first assemble a team that includes representation from the external reporting staff, GAAP accountants, legal, technology and service providers or consultants. This team should then learn the basics of what is involved with the SEC’s mandate for XBRL. They should examine your options, primarily whether you do this work yourself or outsource it. A good place to start is at the web site www.xbrl.us

Based on the experiences of the over 130 companies that participated in the SEC’s Voluntary XBRL Filing Program (VFP) we have a good idea of the effort involved in implementing XBRL. The SEC citing these experiences estimates that for the first XBRL filing a company will incur 133 hours of staff’s time. Including software cost, the SEC estimates that the cost to a company will be between \$41,000 – \$82,000 for the first filing. Subsequent filings will cost between \$13,000 – \$21,000. After the first year of filing XBRL, a company will be required to tag their notes and schedules in detail, increasing the estimated cost to between \$31,000 – \$60,000 for the first filing with subsequent filings costing between \$21,000 – \$38,000.

Many companies in the SEC's VFP did the work themselves. This required learning the technology of XBRL, selecting the right tools for them to map their financials to the U.S. GAAP taxonomy, extend the taxonomy when the taxonomy did not have an exact match to their financials, create the instance files and validate the results. While several companies were successful in creating valid XBRL, many had problems that the SEC overlooked during the VFP.

Outsourcing your XBRL solution

Many companies in the VFP chose to outsource the work. That trend is continuing and in fact, we are now seeing some companies that chose to do it themselves now turning to trusted partners for assistance responding to the SEC's mandate.

Tri-State Financial, a leader in disclosure services and in the XBRL initiative since 2005, offers a total XBRL solution to our clients. We can offer you a complete solution for all of your compliance and disclosure requirements. With our experienced XBRL team, your XBRL filings will not only meet the SEC's requirements, but also accurately reflect your financials. With our skilled team, you leverage our expertise gained from working with the largest XBRL filers, while remaining in control of the entire process.

Our professionals will map your financials to the U.S. GAAP taxonomy, create company-specific extensions for items beyond the U.S. GAAP taxonomy, and review this work with you in a collaborative manner, all while ensuring that the results pass SEC validation and the data presents correctly in the SEC viewer.

	415,860	13,800	18,640	9,967,328	25,862,000
...	155,816				
...	93,953	12,205,800			
...	13,780,263				
...	607,058	47,826	4,159	600,000	
...	1,797,862	569,054	379,216	2,746,132	
...	362,173	85,209	23,569	411,951	
...	382,422	88,371	25,449	496,242	
...		597	35	10,000	
...		10		2,000	
...	9,852				
...	2,606				
...	1,401	791,068		432,828	4,367,871
...	3,163,174				
...					2,375
...					141,500
...					263,370
...					371,560
...					42,786
...					200,000
...					1,000
...					86,000
...					1,000
...					1,000

Conclusion

The SEC mandate for XBRL is here. Within three years, all public companies will be required to submit XBRL tagged financials. The questions before you now are how do you comply and when. Tri-State Financial can help you sort out your options from whether you should do it in-house or out-source the work; wait until you are mandated or decide to begin sooner. It is clear that XBRL will eventually become a fundamental component of all business reports. Getting involved sooner than later could benefit you in the long run.

About Tri-State Financial, LLC

Unmatched Service, Speed and Accuracy

Tri-State understands the urgency of your regulatory and compliance document printing and distribution, which is why we are the fastest growing financial printer in the area. Our strategic network of services provides you fast, accurate and cost effective solutions for all your financial documentation needs. Our veteran management and customer service teams are dedicated to providing you with unparalleled service to earn and keep your ongoing trust.

Tri-State Financial, LLC, is a leading provider of corporate and shareholder communications services, including:

- Typesetting
- EDGAR Services
- EDGAR filings
- Financial printing
- Commercial printing
- Mailing and fulfillment
- Instance document creation and filings



Strategically Located

Tri-State's Northern New Jersey location provides excellent proximity to New York City and other major markets and shareholder distribution points, including proxy solicitors, transfer agents, and intermediaries. This allows us to make your critical deliveries quickly while keeping your shipping charges to a minimum.

Tri-State Financial, LLC

www.tsfpres.com

800-866-6375

Sources

The Securities and Exchange Commission

www.sec.gov

XBRL US

www.xbrl.us