

XBRL General Ledger

What's It All About?

Business success requires measurement, analysis and communication of information found scattered throughout an organization and from outside sources. This business intelligence includes both traditional accounting and operational measures and new metrics found in ValueReporting. Until now, the tools to effectively capture, analyze and reuse this information have been limited, expensive, and difficult to implement. Now, there is XBRL GL.

As the adage goes, "The good news about standards is that there are so many of them." XML is growing in popularity, and interest groups have formed to develop agreement on the XML representation of their areas of knowledge and communications. Bridging the interests of groups with like interests and even vocabularies but different systems is an important exercise in the Internet age, where the smallest businesses have trading partners around the world. A task group representing members of both EDIFICAS, the European group responsible for EDI standards for the financial space, and XBRL, the International (but US initiated) group working on XML representation of financial and business reporting is discovering how to harmonize their works. The work is XBRL GL, or XBRL/EDIFICAS GL (XEGL).

The opportunity

XBRL GL is a new tool designed to overcome the inefficiencies of disparate, non-integrated and outsourced accounting and financial systems by using the power of XML - the Extensible Markup Language. XBRL GL is an agreement on how to represent accounting and after-the-fact operation information - anything that is found in a chart of accounts, journal entries or historical transactions, financial and non-financial - and transfer it to and from a data hub or communicate it in a data stream. That lets adopters of XBRL GL more easily bridge the gap between operational, off-site or outsourced systems and their back office accounting and reporting systems.

XBRL GL is *chart of accounts independent*. It does not require a standardized chart of accounts to gather information, but it can be used to tie legacy charts of accounts and accounting detail to a standardized chart of accounts to increase communications within a business about what needs to be measured and why.

XBRL GL is *reporting independent*. It collects general ledger and after-the-fact receivables, payables, inventory and other non-financial facts, and then permits the representation of that information using traditional summaries and through flexible links to XBRL for reporting. As XBRL GL does not assume financial reporting or any specific type of output, it becomes an important repository for future metrics such as ValueReporting. Systems to do ValueReporting can reduce their development time using XBRL GL as part of their development process.

XBRL GL is *system independent*. Any developer can create import and export routines to convert its information to XBRL GL format, or our firm can help develop tools to do so. This means that accounting software developers need only consider one design for their XML import/export file formats. Application service providers (ASPs) can offer to supply XBRL import and output so end users can more easily use their own data. Companies developing operational products, such as point of sale systems or job costing, or reporting tools can link with many accounting products without needing specialized links to each one.

XBRL GL is *based on XML*. XML is the future of data, as seen by recent announcements from all of the major software developers. The openness and power of XML will enable new products and services, and make possible new management real time dashboards, as well as the future of tools

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such as continuous audit 'bots, which monitor the accounting data streams from various places, with triggers and alarms for auditing by exception.

XBRL GL *permits consolidation*. Popular low-end products, like Quickbooks, and mid-market solutions are not designed to facilitate consolidating data from multiple organizations. XBRL GL can help transfer the general ledger from one system to another, be used to combine the operations of multiple organizations, or bring data into tools that will do the consolidation.

An XML-based data standard for representation of core accounting information is vitally important

The need for a standard at this level has been illustrated over and over. Software developers FRx and Caseware, among others, must meet regularly with accounting software developers to find out their latest data file formats and arrange to be able to integrate between systems. ASPs like eLedger want to provide their users with the comfort that data entered into their system is reusable and reclaimable. End users are looking for solutions that will bring together systems that don't otherwise consolidate - even from like systems. Users of a favorite operation system, such as point of sale, or job costing - want their investment in software, training and data to be maintained even as accounting software developers are bought or go out of business (2000: RealWorld, Solomon, SBT, Daamguard; 2001: Great Plains, Macola, AccountMate).

The downside of not having a standard format is that expected from and by accounting related systems is that every accounting system becomes an island to itself. The information chain for accounting can be as complex as that of orders and invoices. Although organizations have outsourced part of their accounting in the past, the Internet has brought new expectations of being able to tie together systems. In particular, the Application Service Provider (ASP) marketplace has driven the need to move data from internal systems to the ASP and from the ASP to another system if the company wishes to analyze data or change service providers (as when the ASP goes out of business). In addition, expectations from the investing marketplace include the need for greater assurance and more frequent reporting - requiring more detailed information exchange.

A standardized format provides guidance for software developers and tools for users to more easily create, exchange, and reuse data. The accounting profession can have generalized tools that can more efficiently work with accounting systems. Accounting systems can be more easily consolidated. Reporting tools, budgeting tools, and third party add-ons can more easily integrate with accounting products, making their development more attractive and not linked to only one vendor's products.

Why prior solutions were limited in scope

This is the time for XBRL GL. But why hasn't a tool such as this existed in the past? Primarily because of the limitations of data interchange standards before XML.

Data interchange was largely limited to *trading partners*. Tools like Electronic Data Interchange (EDI) brought new efficiencies to large corporations that needed to overcome geography, language, and time barriers and wished to remove human error in the data entry process. However, the priorities of EDI development were in the area of customs, commerce and transport. That meant that little attention was being given to information that flowed internally or was generated internally. Moving general ledger information around, or creating standards to exchange data with accountants and creditors was not as important as getting the order out, the materials moved, and the money transferred.

Data interchange was designed to be *inflexible and* - quite candidly - *standard*. EDI documents needed to look a certain way with no deviation or they would not be standard. XML has been designed for flexibility, with tools to validate and verify files (DTDs and XML Schema make sure the files are correctly constructed) while permitting flexibility for special needs. This becomes especially important when considering that the accounting needs of the US, the UK, Germany,

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Australia and New Zealand (the Saxon countries) are quite different than those in France, Belgium and the so-called Latin countries.

Data interchange has been *regionally exclusive* in the past. The EDI standard for the US, ASC X12, has little or no accounting interchange specifications. The European EDI group, EDIFACT, has a group dedicated to accounting data warehousing - the group is called EDIFICAS - but that work is largely unsuited to U.S. financial data needs. Meeting U.S. needs for profit center and departmental breakdowns in the general ledger while keeping them out of the French systems requires a flexibility that in the past led to multiple, mutually exclusive standards in the past.

What is needed is an extensible, flexible, multi-national solution that can exchange the data required by internal finance, accountants, and creditors, and that can be brought into and out of accounting systems and reported on using XBRL financial reporting. The development of this standard must take into account the needs of small and large businesses, and of businesses on both sides of the puddle (US, European, Asia). Attempts thus far have been largely based on EDI - Electronic Data Interchange.

Background on EDI

Electronic Data Interchange is defined as a way to exchange machine-to-machine business documents between trading partners using standardized documents. Two primary organizations have evolved as the keepers of EDI. In the United States, ASC X12 has the responsibility for defining and maintaining the documents primarily used within the US. EDIFACT is the United Nations supervised organization that authors EDI for most of the rest of the world. XML has spawned many other organizations that have tried to make their flavor of EDI the tool of choice for XML-based data exchange. Large companies doing business in both the US and Europe have had to struggle to adapt their systems for the conflicting business needs of their trading partners.

XML also looks to be the catalyst for bringing together the two titans of EDI. Both groups are now working toward a next generation, XML-based EDI that will be harmonized around XML. Part of this harmonization has been the work of a group developing ebXML (www.ebxml.org). All this being true, there has been very little thought taken to integrate all of these business documents (largely based on communications between unrelated partners) with back office accounting (normally an internal issue.) As has been stated before, it takes a consortium to bring agreement between unrelated entities - one group can create agreement within itself.

However, the perceived lack of need to integrate EDI and eCommerce systems internally has led to little work to tie standards to accounting systems. With no global or jurisdictional driven standards for accounting representation, software developers have not had guidance on how to create transfer files or what to expect in data from other systems. The expectation remains that once data has found its way into an organization's order entry or purchase order system, that accounting system will take care of the accounting recognition. And organizations may choose to use an accounting product that integrates with other members of its own family easily, or measure the benefits of integrating unrelated products against the costs of doing so.

XML and EDI Standards

The timing of this work is fortuitous. XML is being looked at as the catalyst that will unite ASC X12 (www.x12.org) with EDIFACT. ASC X12 voted in 1992 to harmonize with EDIFACT, but the legacy of a million EDI documents and the lack of a catalyst has kept the two apart. Now X12 and EDIFACT are working together, and ebXML (www.ebxml.org) is the beginning of the joint work, with an eventual Next Generation EDI - based on XML and driven by the joint working groups - as the result. As X12 has done little on the accounting recognition end, other than the little used 821 document, the work of EDIFACT - and in particular EDIFICAS - becomes a possible key toward all users of EDI having the XBRL/EDIFACT work as the missing link.

International Harmonization

The frameworks of financial information around the world are very similar. Debits have to equal Credits in an entry in France and the US. Assets = Liabilities and Equity/Net Assets pretty much the world over. Luca Pacioli's double entry bookkeeping is a standard everywhere.

I have found it difficult to find publicly available documents comparing US and European systems. At PwC, we have been brought in to help organizations adapt US systems in Europe and developed checklists that, unknown to me, mirror the findings of Robert Lemense and myself. In addition, a simple review of a European accounting system brought into the US - Navision-Daamguard's product, reflects many of these issues, and a discussion of these issues with Geni Whitehouse of Navision also reflected a difference of understanding between the US and European points of view. The General Ledger does not obviously show allocations without filters; the journal entries allow not only chart of accounts but customer number and vendor number entry; a numeric entry number is tracked and no automatic reversal is permitted.

EDIFICAS has seen its greatest acceptance in France, where the demands of the government have been tempered by agreement to the data warehousing approach of EDIFICAS. Representatives in the UK, Germany and Asia, among other jurisdictions, should be consulted for their needs and observations.

In the US, GAAP was primarily designed to do one thing - collect the information necessary for proper reporting to shareholders. Traditional historical based accounting has not met the needs of management reports, thus leading to the latest in performance measurement, market costing, activity based costing, and other tools. In addition to meeting the needs of stockholders and the SEC, meeting tax reporting requirements - quite different due to issues like depreciation and various deferrals causing permanent and timing differences - is vital. Internal financial reporting attempts to allocate revenues and expenses to profit or cost centers, and US systems must be able to easily provide that functionality - which they do as part of the GL.

It has been noted that the role of the Big 5 CPA/CA outside of the US is very similar to that of the smaller CPA firm in the US. Their clients are similar to the mid-market and small companies served by the regional CPA firms. Meeting the needs of this constituency is met by providing the means to transfer workable data from client to CPA/CA in the level of detail necessary to provide the management guidance expected of them.

Why there is a solution now

The solution has come. The key factors are many.

First is the widespread excitement about XML, which Zona Research believes will explode in adoption from .5% in early 2000 to more than 40% by the end of 2003. (Information Week, March 5, 2001). Next is XBRL, which has brought together members of the accounting and business reporting information supply chain, including many of the lead accounting software vendors.

Perhaps one of the most exciting factors is that XML is being looked at as the catalyst that will unite ASC X12 with EDIFACT. ASC X12 voted in 1992 to harmonize with EDIFACT, but the legacy of a million EDI documents and the lack of a catalyst have kept the two apart. Now X12 and EDIFACT are working together to create their Next Generation EDI, based on XML. X12 has done little on the accounting recognition end, and EDIFICAS is jointly working with XBRL on the creation of the XBRL GL to meet both European and US requirements. EDIFICAS' involvement means XBRL GL has the potential to become the US and European accredited standard.

XBRL GL

What is XBRL GL? The ability to capture and communicate any fact gathering - represented by the accounting entry core of "account", "amount" and "date" - with a hierarchical structure to collect and optionally communicate the information required for US and European accounting - anything found in the General Ledger systems of either side of the Atlantic.

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XBRL GL's European ties mean it can store information not found in traditional U.S. GL systems, including aged receivables and payables. This means it can provide information to creditors not normally possible in an automated fashion from US systems. Considerations of non-financial measures offer a flexibility to collect data also not found in any system, like customer satisfaction or telemarketing calls.

XBRL GL contains the information necessary to drill down from XBRL for financial reporting, and to provide all of the necessary detail for audit workpapers and write up work, budget planning, and detailed reporting.

XBRL GL represents a single work that is extensible and - with appropriate work - modular to meet the needs of many different types of organizations with the least overhead possible while providing an agreed-upon framework for the easy sharing, transfer and archiving of journal entries, performance measurement and other statistical measures and historical data. As X12, EDIFACT and XML come together, XEGL can be the foundation for integrating the front office with the back office, and the remote back office with the local back office.

Most of the fields in XBRL GL are completely optional, to allow the population of the XBRL GL file from low-end systems that do not collect the bulk of the information found in a high-end system, or to make room for future types of fact gathering, such as performance measurement statistics, balanced scorecard and ValueReporting.

US and European Harmonization - GL Differs

As a consultant that has been assisting growing businesses with the selection and implementation of computerized accounting and business operations systems for almost twenty years, and an author of numerous books and reviews about accounting software and accounting databases, I thought I had a pretty good idea of what was needed to represent accounting information in database and XML format. As a long-time XBRL member and founder, I had also been concerned from Day 1 about how to make XBRL especially relevant to small businesses. Little did I know that some of the European differences could make my vision of XBRL GL much more valuable, especially for archiving data from an ASP, delivering information to a CPA or bank, or preparing to consolidate information.

There are many differences between accounting systems in the US and those in much of Europe. European systems are designed to share more detail with CPA/CAs and with the government. US systems are designed less for external audiences and more for management. US businesses maintain their "book" basis in their general ledger, and make later entries for tax reporting, where European systems have few differences between books and tax. The levels of detail required by regulators in Europe and certain safeguards and audit trails they mandate are foreign to US management. Likewise, certain information contained in US GL systems is maintained in separate ledgers in Europe to keep it away from the accountant and regulator. This situation causes a number of misunderstandings when working to harmonize standards.

Cost accounting - in the US, it brings to mind accounting classes discussing purchase price variances and other actual versus standard costing comparisons. In Europe, it refers to the allocation of costs from the main account to cost centers. It is sometimes also called Analytical Accounting. In Europe, this is for management only, and contained in special ledgers. In the US, this is part of the general ledger. Ledger entries - in the US, this is the summary of results from sub-ledgers; in Europe, it is often the primary device for entering open receivables and open payables and tracking payments. Where US systems call for separate AR and AP ledgers, they are incorporated into the European GL - at least at the "after the fact" level.

It is these differences that make the harmonization so interesting. An XBRL GL can serve to store or convey information beyond that expected by either US or European users. Once an organization knows and understands the possible information conveyed in an XBRL GL file, the operation basics of accounting - GL, AR, AP and even inventory control - can be represented in one file. This answers a major concern with XBRL for small business. A small business sharing information with its bank is required to do more than supply a financial statement; in addition, it must supply open

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receivables, stock status, and cash flow projections. The possibility of transferring this information along with the required XBRL financial reporting means that XBRL for financial statements plus optional disclosure of XBRL for GL can meet the bank's needs.

XBRL for GL is a harmonization of the needs of both US and European jurisdictional accounting systems. A core group of data items - the typical Amount, Account, Date - are common, as is the grouping of entries made for a typical transaction. Additional detail or features found in US and European systems vary; sometimes there is information that will not be found in a European system where wizards and other automated tools can help identify exceptions and help scrub information going from US to Europe (see discussion on reversing entries) or likewise identify missing information for follow up. Audit trails and sequential numbering missing can be added. And the eventual hope is that this data format will permit the movement of data from EDI and other eCommerce and facilitate the eventual accounting recognition needed.

Both US and European systems used budgets and track comparative results. Both provide an entry mechanism for entering information into the Ledger. Higher end US systems permit entry of document number and customer or vendor number, as do European systems. Higher end US systems provide an allocation feature that matches with European analytical accounting, although the result of the allocation seems to show up in different places. US systems have a tool called automatic reversal, allowing the user to enter a journal entry (such as an accrual) at one point in time and have the system automatically generate the reversing entry at another point in time - something that doesn't go over well when the government's auditors want to have every entry logged.

Legacy of EDIFICAS Strengthens XBRL GL

Although more work is necessary to make sure the primary stakeholders, in particular, the software developers who have been gathering users' needs in this area for many years, a solid foundation for this work was made possible by the powerful legacy and expertise built up by the EDIFICAS group.

Robert Lemense, the chief architect of EDIFICAS, has written an important document surrounding EDIFICAS, an approach to accounting metadata, and capturing enumerated lists that are useful to organizations hoping to utilize XBRL/EDIFICAS GL. In addition, the work of EDIFACT EWG and ebXML, and the differences in representing the body of knowledge contained in XBRL/EDIFICAS GL are important to note. XBRL is based on its XBRL technical specification, and its taxonomies are represented in an adaptation of XML Schema. In all likelihood, EDIFICAS, following EDIFACT, will be using a more traditional XML Schema. As many of the XBRL spec tools, such as weight, order, and label, have less relevance to GL data, this is not a large issue.

The document provided by Robert Lemense contains a wealth of information and experience. The experience of organizations who have been forced to use an accounting data warehouse for survival reflects the possible needs of the rest of the world, including issues like security, digital signatures and archival, issues ahead of the eCommerce world as a whole. The experience of the accounting software developers is also coveted, as they have been the recipients of feedback of user needs, and can offer guidance for data items that are currently missing.

What is the value proposition?

Is there a demand for XBRL GL? Our visits with large companies show that the ability to gather facts in a non-proprietary data hub for consolidation and reporting - maintaining the context for reuse and analysis - is strongly desired by our clients. One organization anxiously awaiting XBRL GL is a large organization with operations around the world. They have heard about the benefits of XML, are promoters of XML themselves, and wish to "eat their own dog food" - use XML internally for efficiencies. They could develop their own XML structures for data transfer, but would prefer to go with an established standard for later integration possibilities. They current use a

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huge informal network of spreadsheets, faxes, and other means to collect the data. To them, the design of a standard for this purpose achieves many things:

- They can rely on the expertise of others, whose core competency is international accounting
- It saves them the design time to create their own standard
- It means that custom integration can go away as software developers adopt the standard
- It means that future acquisitions will probably already have the ability to create files in the correct format

XBRL GL Uses

One possible use of the XEGL is as a tool to help a company in its upgrade from a low-end accounting product to a mid-range product. By exporting its data to XEGL, the receiving (target) product can review the data, understand what it has been given, and provide an automated function to guide the user through the steps necessary to populate any necessary fields. In addition, it can do queries to look for existing patterns, assist in cleaning up the data, or be taught where in another system to go to query for more information on an ongoing basis.

In a consolidation across different accounting techniques, automated tools can evaluate the files to look for missing elements and trigger manual or automated procedures to collect and gather the necessary information.

The future of assurance services may include automated tools - 'bots - which can automatically monitor XEGL. Extracts of information can be provided more easily to meet contractual covenants. General ledger work can be more easily transferred to workers anywhere - from telecommuters to Ireland to India.

The age of co-opetition can expand to metamarkets, where accounting data from many companies can be sent to a metamanager to massage, reallocate, and offer new methods of tax reduction.

As XEGL provides simple links to various XBRL reports, a demonstration showing translation from QuickBooks QIF to XEGL and rolled up to XBRL FR would be powerful - especially to take two QIF files and do the consolidation. An XP spreadsheet that brings in data, rolls up, provides for a consolidation entry, and then reports out to XBRL is another option for a demonstration.

International users are a major market for XEGL. One of our steering committee members who market a low-end solution has indicated the market demand internationally for low-end systems. The emergence of the Euro opens the door for new systems that can deal with the old and the new.

A common representation of general ledger information is an important issue for companies of all sizes. Small companies will find it easier to get accounting data from outside payroll providers and to share information with their CPA and other advisors. Owners of multiple small companies will be able to combine their results more easily without typing into spreadsheets each month. Larger companies will find this better enabling and an important tool for integrating their general ledger and financial reporting chain between branches and divisions. There is one little hitch in coming up with agreement on this representation of general ledger information - and that is that the same words and systems are used in different ways in different places.

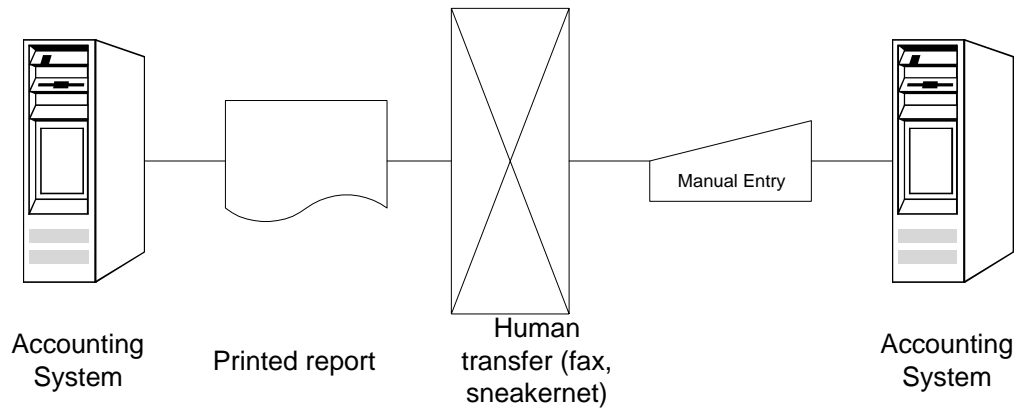
Mega Company is a large organization with subsidiary companies around the world. They are looking for a solution to combine the results of the operations in the local systems. As they purchase subsidiaries that are successful in their local marketplace, their local systems subscribe to local standards. As we found out in our discovery session, the architects hoping to link together their systems will be in for a surprise - US systems and European general ledger systems aren't exactly the same. This means that if Mega Company is US-based or European-based, they are going to find information within their counterpart's systems that is unexpected, and find some expected information missing.

XBRL Illustrations

The Advantages of XBRL for Transfer of GL Data

1. *Transfer, the old fashioned way:*

General Ledger information goes from Accounting System 1 to Accounting Systems 2 by generating reports from the first system, transferring them in human readable format, and then manually entering them into the second system.

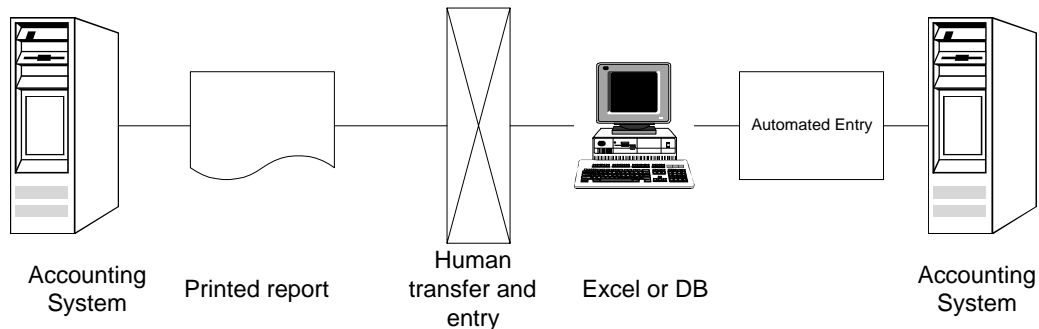


Disadvantages:

- Easy to lose information
- Requires human entry
- Requires redundant entry
- Subject to rekeying error
- Offers limited detail or a huge data entry task

2. *Transfer as many companies are doing it:*

General Ledger information goes from Accounting System 1 to Accounting System 2 by having someone locally rekey the General Ledger information into a standardized Excel spreadsheet or database application. That file is then brought into the second system.

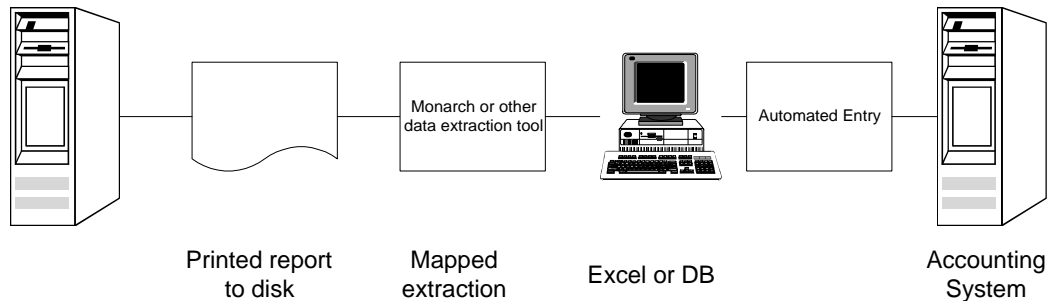


Disadvantages:

- Easy to lose information (less than Option 1)
- Requires human entry
- Requires redundant entry
- Subject to rekeying error (less than Option 1)
- Offers limited detail or a huge data entry task

3. Use of Monarch or other reverse-report writer

Relying on the consistent layout of information on General Ledger reports, this option uses a report extraction tool like Monarch to create data files that can be brought into another system on an automated fashion.

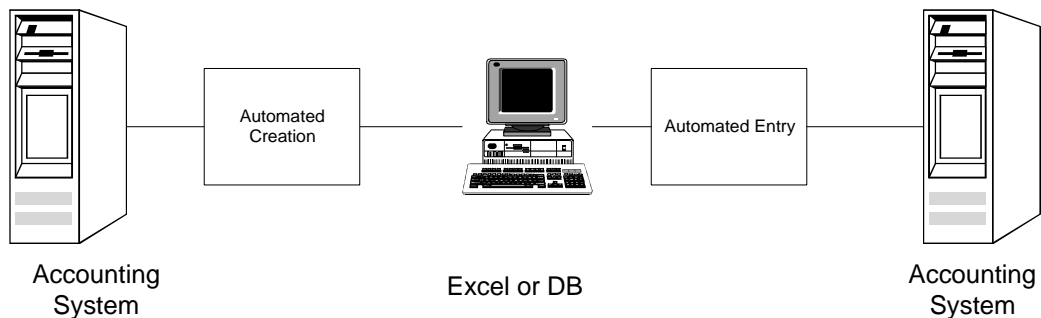


Disadvantages:

- Monarch maps must be created for each accounting application
- Maps must be recreated if report formatting changes

4. Use of Report Writer to create automated extract

Assuming that the accounting vendor does not change their internal field names as often as their report layouts, this uses a report writer (Crystal Reports, etc.) to create the required intermediary file format.

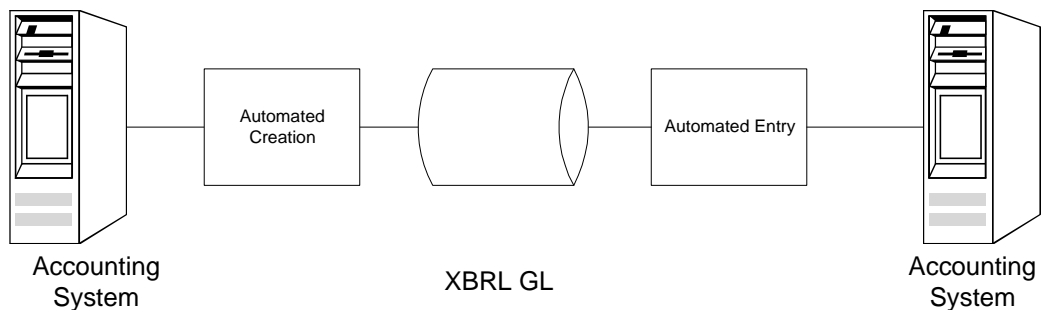


Disadvantages:

- Report writer design must be recreated if report formatting changes

5. Creation of XBRL files

Once systems understand XBRL, systems can import and export XBRL without undue mapping.



Advantages:

- Mappings are more easily maintained

XBRL for General Ledger (XBRL GL) descriptive document

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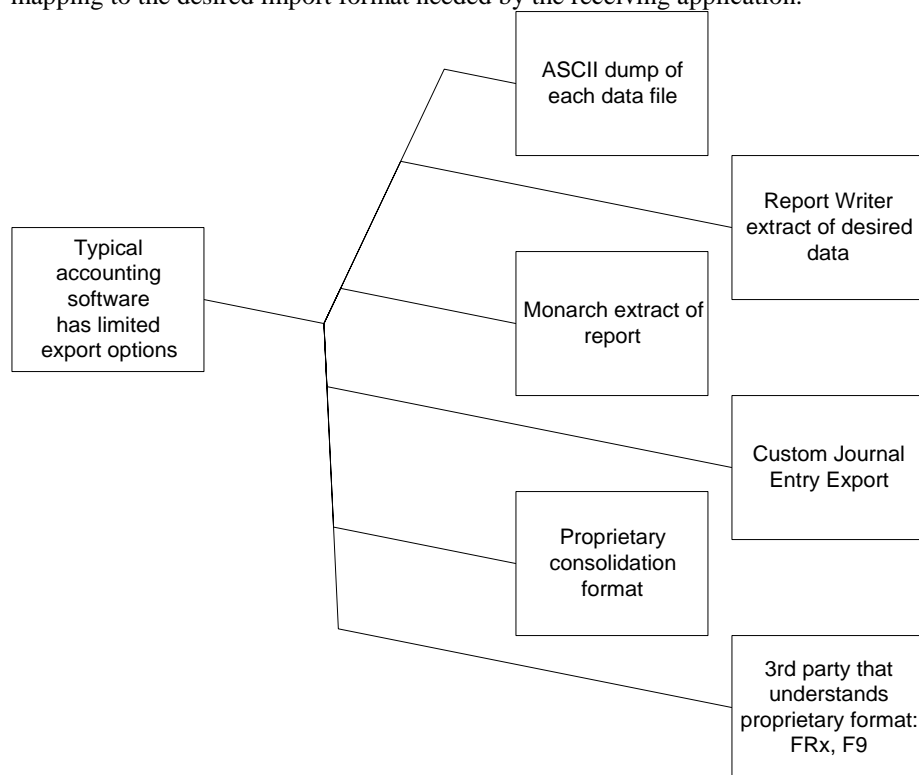
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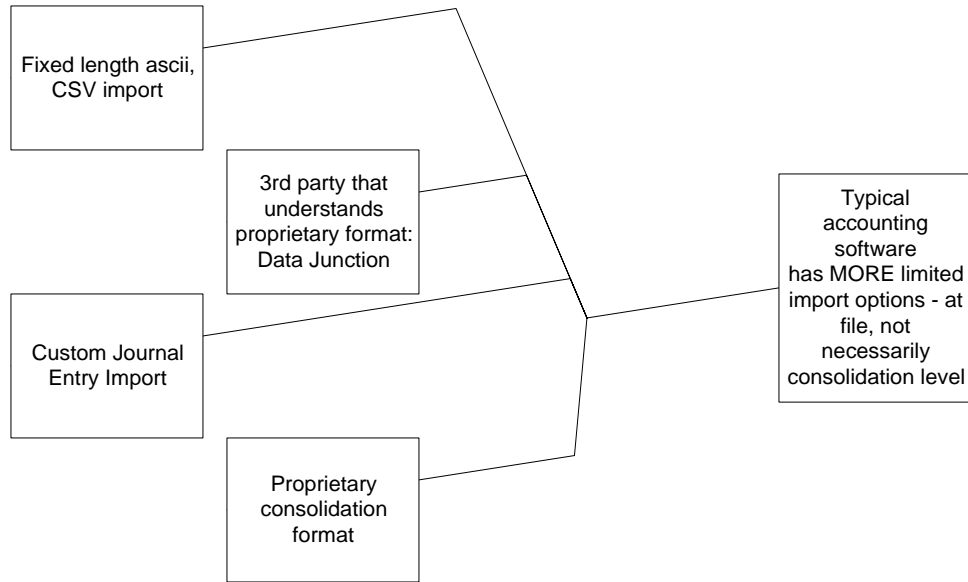
XBRL file created by originating system can be used by other reporting, budgeting and analysis programs

Why XBRL is important as a data import and export format

1. Accounting products are notoriously poor at sharing their information outside of their own "multi-company" capabilities. Almost every system can create an ASCII representation of its individual files. A report writer will let the user select information and create a more selective data file. Using Monarch, the report that would normally print the precise information required can be mined to create a data file. Finally, custom export files created by the software developer or a third party can be used to pull out the required data. This requires special mapping to the desired import format needed by the receiving application.



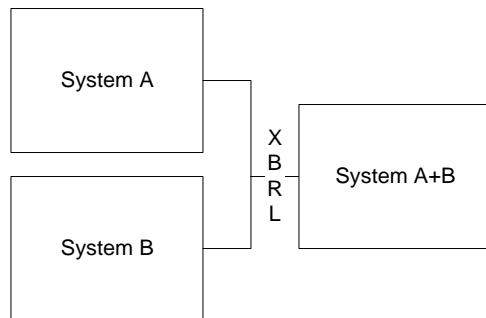
However the abilities to import are even more limited than the ability to export. A few products have import applications designed by the vendor or a third party; most have an ability to bring in an ASCII file with limited or no verification.



XBRL Facilitates Consolidation

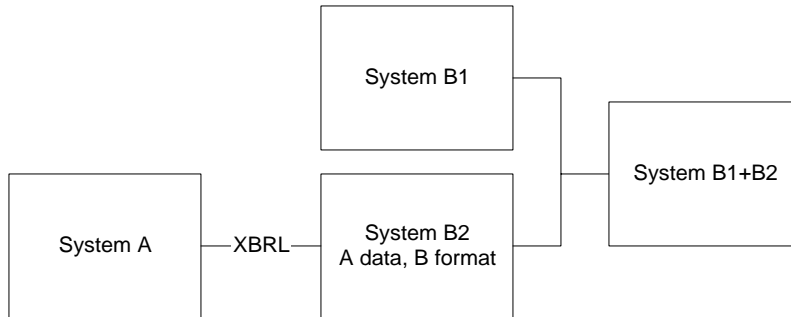
1. XBRL files can be consolidated as is

As long as XBRL can be produced from the systems required, they can be consolidated through traditional XML techniques.



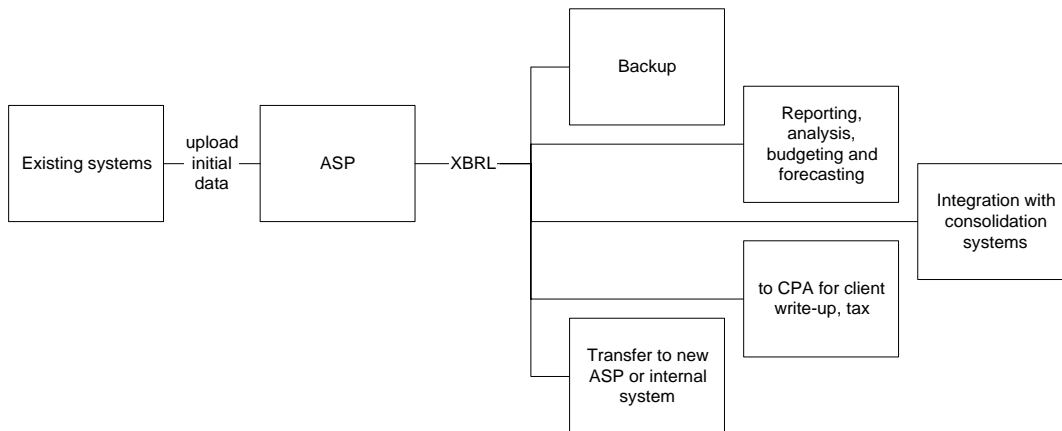
2. XBRL files can be used to bring XBRL files into a multi-company system

For systems that provide a native data consolidation routine, XBRL can be used to create a mirror company within the second system, so consolidation can be performed using the more sophisticated consolidation capabilities.

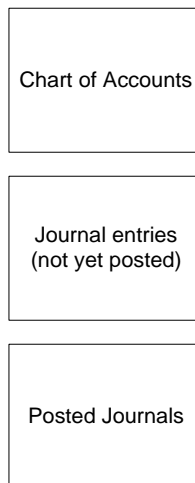


3. XBRL is Cheap Insurance

XBRL as a data file format means that accounting information will not be bottled. Data can be easily transferred between systems. It can facilitate sending information to an ASP, creating backup copies from ASPs, using the data on the ASP for budgeting, reporting or analysis, bringing the data from an ASP into a consolidation system, and getting the data over to the CPA for write up, tax, or other analysis and reuse.



XBRL represents the most important parts of a GL



Demand for XBRL GL

Rob Blake from FRX and Dwight Wainman from CaseWare are two parties who know the need of "transaction-level" (journal entry level) data to their users. Financial reporting is important - but the needs of the users to drill down (as expressed by one of our SWAT/FEI companies who were frustrated by their inability to do so from their present consolidation package) has been well documented. During the development of XBRL, the vendors uniformly indicated their support for the emergence of such a specification.

An expert from the M&A space could identify the value of easily analyzed journal entry-level data for consideration in a buyout. The ease of the acquiring company in bringing the new subsidiary onboard when the systems are instantly consolidatable is obvious - there is less trauma if the acquired company does not have to abandon its present system and move to the corporate standard. Small business become large businesses, both types are looking at ASPs, and large organizations have found the cost benefits of foreign subsidiaries - and have had to deal with their systems.

Moving XBRL GL Forward

XBRL GL needs to move forward. It needs to seek acceptance by both the XBRL and EDIFACT community. We need to bring together interested experts to refine the work already done. And accounting software developers and those that work with them must "buy into" XBRL enough to integrate it in with their products.

Our banking stakeholders within XBRL can be consulted to find out what type of detail they would require or like to have provided for them. Meeting these needs may require the collection of additional data or better archiving of data. It is important to note that US companies may resist the possibility of providing more data - if it is possible, it may be expected, and US firms not accustomed to providing automated means of accessing archived data may be considered offering the noose to the hangman, so they can hand themselves more efficiently. The lack of desire to provide automated means for the IRS to gather data is illustrated by the perhaps sadistic dream of handing thousands of pages of computer printout to an auditor and stating, "it's all here. Good luck."

XBRL has been considered payload. As such, there are many issues related to transport, encryption, digital signatures, audit trails, and communications and resend logic that have yet to be fully considered. As stated, XBRL/familiar XML issues need to be worked out. The need for multiple language support in the taxonomy itself needs to be followed up on. Helping developers of current consolidation tools to incorporate XEGL and provide the user interface necessary is an important step toward adoption as is helping accounting software developers and third party developers, getting CPA/CA write up and tax developers on board. Encouraging ASPs to incorporate XEGL will help users feel more secure when choosing a developer with only remote access to the database.

Another issue interesting to the harmonization is information that is part of the XBRL specification rather than included in the taxonomy. This information includes "period" - a singular date attached to reporting a balance of cash, but the subject of many possibilities when it relates to an accounting entry - entry date, posting date, document date, financial maturity date, and many more. Likewise, the specification includes entity identifiers, units of measure, and other items that make sense on a one-to-one basis with a financial fact, but less sense in a grouping of related attributes concerning a financial transaction - which are the describers and which are the "facts"?

As a joint specification that will be expressed using XBRL and traditional XML, a harmonization or transformation between the two formats and the use of units of measure, dates and other describers will need to be worked out. The development of tooling to let organizations work with XEGL in either format will be necessary. In addition, the availability of the same data in XBRL and "familiar" XML format may be a proving point for XBRL (or the breaking point). As XEGL is

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not publicly disclosed data, following the emergence of XML digital signatures and XML encryption may also be vital to the widespread acceptance of the file format. This hub representation must be as secure as any other, and hopefully offer additional benefits, letting different audiences have different levels of access to the same published file.

One of the loudest critics of current standards is concerned that small businesses and emerging free object modeled tools may not easily work with a specification sophisticated enough to meet the needs of large organizations. The emergence of XML tools like Office XP and other desktop standards should help ameliorate the situation. Small companies become large companies and need a scalable solution, not a dead-end one. Few small companies would be doing their own integration work, and XML functionality will be considered a must for almost every system, big or small.

We believe that acceptance of a GL detail specification will require the ability to pick and choose from a menu of accounting data fields, while providing a limited number of options - helping developers know what to expect. As XBRL lets an organization reflect a single financial fact or an entire financial report, XEGL has to let an organization express only the basics - account, amount, date - or as much detail as makes sense.

Conclusion

EDI and its successors have been tools for commerce and transport. A new tool, based on XML, is the key for accounting and finance. The XBRL GL has the potential to unleash information needed for internal financial and managerial reporting. In addition, it stands to facilitate the development of new systems for the business metrics of tomorrow. For more information, visit www.xbrl.org or send e-mail to xbrl-public@groups.yahoo.com with subject header beginning with [GL].