



# XBRL Update

## Get Your Sign Values Correct in XBRL Files

One of the most common XBRL errors cited by the Securities and Exchange Commission (SEC) continues to be incorrect sign values on tagged amounts in the XBRL files (that is, an incorrect number is input because a negative should have been input as a positive or vice versa). This may have significant implications for users of XBRL-formatted financial statements because this error may cause inaccurate analyses (for example, calculation of incorrect ratios or misinterpretations of gains and losses). Errors in the XBRL files also have implications for the filer. Not only is a company's reputation at risk if it includes incorrect information in its XBRL files, but most companies' XBRL files are subject to the same legal liability<sup>1</sup> as the filed financial statements.

This *Update* is intended for preparers and reviewers of XBRL files to aid them in evaluating the files. It provides tips and guidance for analyzing the XBRL tag to determine the proper sign value to input into the XBRL files for financial information using the US GAAP Taxonomy.

### **This Update covers the following topics:**

- Background on Errors Resulting from Incorrect Sign Values
- Understanding the Balance Attribute
- One-way vs. Two-Way Elements
- Elements Without Balance Attributes
- Using the Structures in the US GAAP Taxonomy
- Using Domain Members
- Negating Labels
- Final Checks to Validate the Accuracy of Sign Values Applied to Amounts

The appendix provides examples of the concepts discussed herein.

<sup>1</sup> Interactive Data submissions during the first 24 months that a filer is first required to submit the files but no later than Oct. 31, 2014, will be subject to federal securities law in a modified manner. Modified liability occurs, during this period, when a filer makes a good-faith attempt and corrects any failure to comply with the tagging requirements promptly after the filer becomes aware of the failure.

## Background on Errors Resulting from Incorrect Sign Values

A number of factors contribute to confusion and complication relating to this issue, raising the risk that errors may occur in XBRL files. It is not uncommon for the presentation of an amount to vary based on where and how it is presented in the underlying “paper based/HTML” financial statements. This has caused some confusion for preparers who have mistakenly tried to match the presentation of their financial statements and have input inappropriate sign values (for example, if income is displayed with brackets, preparers inappropriately input it as a negative value). To illustrate this point, consider the presentation of Income Tax Expense. On the Income Statement, this amount might be presented in brackets, indicating a negative amount. However, within the Income Tax Footnote, this amount might be presented without brackets, indicating a positive amount. The sign of the value for this concept will be determined by the attributes of the element in the taxonomy and not by how it is presented on the “paper based/HTML” financial statements.

Some elements in the US GAAP Taxonomy have a different meaning depending on the sign value of the number input in the XBRL files. For example, the concept *Income (Loss) From Continuing Operations*: when the sign of the value tagged is a negative, the user expects to interpret the information as a loss; alternatively, a positive value would indicate income. In certain circumstances in the “paper based/HTML” financial statements, such as in the presentation of the reconciliation of income, positive amounts may be displayed in brackets or losses displayed without brackets (that is, losses as a positive amount). However, regardless of the presentation of the concept displayed in the financial statements, the meaning of the individual elements still is determined by the sign value. If sign values are input incorrectly, users of the XBRL files will misinterpret the values (that is, interpret it as a loss rather than income or vice versa).

## Understanding the Balance Attribute<sup>2</sup>

The process for determining the appropriate sign value for tagging financial information in the XBRL files requires accounting knowledge in addition to understanding how XBRL is used to represent financial statements. Almost every monetary element in the US GAAP Taxonomy has a designated “accounting-specific” balance attribute (that is, debit/credit), which provides guidance on whether to tag values as positive or negative. The balance attribute helps software tools to properly interpret whether tagged amounts represent debits or credits, increases or decreases. If the tagged fact is a debit, and the element in the taxonomy has a debit attribute,

the value should be entered into the XBRL instance as a positive amount. Accordingly, as the first step, filers need to have an understanding of the underlying reporting concept that must be conveyed in the XBRL files. It is important to assess the corresponding element in the taxonomy and determine how the information should be input.

The assigned attribute represents the “normal” or “typical” balance for that particular business reporting concept. For example, in the US GAAP Taxonomy, the element *Cash and Cash Equivalents* is assigned a debit balance attribute

<sup>2</sup> EFM Section 6.6.30 and the SEC’s *Staff Observations from the Review of Interactive Data Financial Statements (November 2010 and December 2011)* provide guidance for reviewing balance attributes and determining negative values in the XBRL files.

reflecting the expectation that cash normally will be reported as a debit balance. *Income Tax Expense (Benefit)* is assigned a debit balance attribute reflecting the expectation that this item will normally be reported as an expense, (that is, a debit) in the financial statements. Within the US GAAP Taxonomy there are a limited number of monetary elements that have no balance attribute

assigned as they may represent an increase or decrease concept or a subtotal concept in the taxonomy model. For example, the monetary element *Restructuring Reserve, Period Increase (Decrease)* has no balance attribute because this element represents the increase or decrease during a period.

## One-Way vs. Two-Way Elements

The monetary elements (or concepts) modeled in the US GAAP Taxonomy generally may be divided into two categories, based on the nature of the elements (that is, one-way elements and two-way elements).

One-way elements are almost always expected to be positive values and, therefore, rarely will be negative. The definition or label of these elements will usually not support a negative value (for example, *Cash and Cash Equivalents*).

Two-way elements may have positive or negative values depending on the balance in the preparer's general ledger or the transaction being tagged. Preparers should look to the

balance attribute, then the element definition (that is, documentation label), the element standard label and the element name to assist in determining whether a fact value should be tagged as a positive or a negative value. The SEC staff provides a table under the heading "Negative Values" in the SEC's *Staff Observations from the Review of Interactive Data Financial Statements (December 2011)* that lists examples of language included in definitions or standard labels of elements that may be negative (that is, two-way elements).

If the nature of the fact and the balance attribute are consistent, the value should be positive and

**When working with two-way elements, the SEC Staff Observations provides the following guidance to help preparers determine how to tag their values.**

Nature of Fact		Balance Attribute	
		Credit	Debit
	Credit	+1	-1
	Debit	-1	+1

if the nature of the fact and the balance attribute are different, the value should be negative. This guidance may be applied as follows:

- If the amount in the general ledger is a debit and the balance attribute of the element is a debit, tag the amount as a positive value.
- If the amount in the general ledger is a credit and the balance attribute of the element is a debit, tag the amount as a negative value.

For example, the element mentioned above *Income Tax Expense (Benefit)* is assigned a debit balance in the US GAAP Taxonomy. When this item reflects Income Tax Expense (that is, a debit in the general ledger), the amount should be tagged as a positive value. Alternatively, when this item reflects an Income Tax Benefit (that is, a credit in the general ledger), the amount should be tagged as a negative value.

One common exception to this rule is the tagging of amounts relating to cash flow concepts.

Elements that represent cash flow concepts have balance attributes that describe the impact on cash. For example, when tagging *Proceeds From (Repayments Of) Debt*, take the following approach:

- The amount reported for net **Proceeds** from Debt on the cash flow statement (that is, debt was incurred and cash was received) represents

an increase to cash or a DEBIT to cash. The balance type of the XBRL element *Proceeds From (Repayments Of) Debt* is a DEBIT so tag this amount as a positive value.

- The amount for net **Repayments** of Debt on the cash flow statement (that is, payments were made on borrowings) represents a decrease to cash or a CREDIT to cash. The balance type of the XBRL element *Proceeds From (Repayments Of) Debt* is a DEBIT so tag this amount as a negative value.

A second example of a cash flow concept would be:

- The amount reported for an increase in accounts receivable on the cash flow statement would be a **Use** of cash. A use of cash is a CREDIT to cash. The balance type of the XBRL element *Increase (Decrease) in Accounts Receivable* is a CREDIT so tag this fact as a positive value.
- Alternatively, the amount reported for a decrease in accounts receivable on the cash flow statement, would be a **Source** of cash. A source of cash is a DEBIT to cash. The balance type of the XBRL element *Increase (Decrease) in Accounts Receivable* is a CREDIT so tag this fact as a negative value.

## Elements Without Balance Attributes

Some monetary elements do not have a balance attribute assigned in the US GAAP Taxonomy. When tagging amounts with these elements it generally is appropriate to apply the following guidance:

- Amounts that represent an INCREASE should be tagged as a positive value
- Amounts that represent a DECREASE should be tagged as a negative value

Note that when creating extension elements for monetary concepts, EFM Section 6.11.5 states that if no balance attribute exists, a definition that disambiguates the sign must be included.

Also within the US GAAP Taxonomy nonmonetary elements are not assigned balance attributes.

To determine the proper sign value when using these elements to tag facts, preparers need to read the definition of the element. If no definition exists, look to the label or name of the element to determine the appropriate sign. The following is an example of a shares item type element. In order to determine the proper sign, the element definition (that is, documentation label), the element standard label and the element name should be considered to allow input of the value in the XBRL files to be consistent with the nature of amount reported in the underlying financial statements.

<b>Element Name</b>	ShareBasedCompensationArrangementByShareBasedPaymentAward OtherShareIncreaseDecrease
<b>Standard Label</b>	Share-based Compensation Arrangement by Share-based Payment Award, Other Share Increase (Decrease)
<b>Documentation Label</b>	Other than shares newly issued, the number of additional shares issued (for example, a stock split) or canceled (for example, to correct a share issuance), during the period under the plan.

Based on the documentation label in the above table, a positive value would be interpreted as additional shares issued and a negative value would be interpreted as a reduction of shares.

## Using the Structures in the US GAAP Taxonomy

The US GAAP Taxonomy is organized to present the elements in tables and presentations that may be expected to correspond with the underlying financial statements. These tables and presentations provide additional information as to how a fact may be tagged with an element from that presentation.

The presentation hierarchy in the US GAAP Taxonomy was assembled in order to logically present concepts in an expected framework. For example, a particular rollforward table might be included in the presentation hierarchy with all of the necessary elements to prepare the rollforward. Some of the elements used in the rollforward may be structured based on the income statement presentation versus the presentation in the rollforward.

The element *Defined Benefit Plan, Benefits Paid* has a debit balance attribute because benefits

paid typically reduces the defined benefit plan obligation, which is recorded as a liability and typically has a credit balance. The same element, *Defined Benefit Plan, Benefits Paid*, may be used in a rollforward of the plan assets. In this case it is expected to have a credit balance attribute because in that rollforward it would reduce the plan assets, which is recorded as an asset and typically has a debit balance. However, since the underlying concept for *Defined Benefit Plan, Benefits Paid* is the same even though it may be presented in two ways, it is tagged only once reflecting a debit in both presentations. The balance attribute should not impact the choice of whether or not to select that element. In certain circumstances, this may cause an inconsistency when performing a validation check on the calculation link base; however, entering the data correctly is required regardless of the impact on the calculation relationship.

## Using Domain Members

Preparers need to be aware of the impact to the tagged item when combining domain members with certain line items. The use of domain members may change a one-way item to a two-way item or may change a positive item to become negative. For example, the line item element *Treasury Stock* normally is entered with a positive balance. However, when tagging this fact in the Statement of Stockholders' Equity, the beginning and ending balance of Treasury Stock is tagged with a combination of the line item *Stockholders' Equity* with the domain member *Treasury Stock*. Since the balance attribute of the line item element *Stockholders' Equity* is a credit, and the fact being tagged is Treasury Stock (which is a debit), the value is input as negative.

Another example of this is tagging the intersegment elimination entry in a consolidation schedule. The revenues for various segments are tagged with positive values. However, the amount for the intersegment elimination will be tagged with the line item element, *Revenues* combined with the *Eliminations Member* and will need to be input as negative to subtract the intersegment revenues.

The balance attribute of the line item element and the impact of combining a domain member must be considered to determine the appropriate sign.

## Negating Labels

Negating (or negated) labels is a term used for the mechanism of providing a special kind of label in the label linkbase (or multiple labels, if required) that can be used as a code at various points in the presentation linkbase to indicate that the value in the instance document should be displayed with the opposite sign when rendered as a report. Negating labels do not change the value of the fact, they only influence the presentation of the fact in viewing or rendering tools (for example, SEC's Viewer and Pre-Viewer). These labels are used for rendering/displaying purposes only and do not have an impact on the calculations in the XBRL document. If a negating label is selected as the preferred label, then the positive value of 1,000 would appear in a rendering as (1,000), and the negative value of (1,000) would appear in a rendering as 1,000, or positive. For this reason, when only using the rendering or display to review the XBRL files, sign value errors may go undetected.

The tagging of facts in business reports submitted to the SEC may be envisioned as a two-step process. The first step is to tag the amount and sign value correctly, independently of the presentation. The second step is to conform the tagged fact to the presentation in the "paper based/HTML" source information with the application of a negating label, if necessary.

Negating labels are used to add or remove parentheses from the presentation. If an element is properly tagged as a positive value but is presented in the financial statements

with parentheses, a negating label is applied to that presentation in that role in order to ADD parentheses. Alternatively, if an element is properly tagged as a negative value but is presented in the financial statements without parentheses, a negating label is applied to that presentation in that role in order to REMOVE parentheses.

One common example of this is the tagging of the fact for the element *Increase (Decrease) in Accounts Receivable* on the cash flow statement. In this example, a preparer has prepared the cash flow statement for the period that has a decrease in accounts receivable. The first step is to tag the fact. Since the preparer has a decrease in accounts receivable, it is a source of cash or a debit. The element *Increase (Decrease) in Accounts Receivable* in the US GAAP Taxonomy has a credit balance attribute. Therefore, tag the fact as a negative value. Secondly, assess the need for a negating label. Since the "paper based/HTML" financial statements may show the "Decrease in Accounts Receivable" presented without parentheses (a source of cash), add a negating label to remove the parentheses from the negative value input for presentation purposes.

## Final Checks to Validate the Accuracy of Sign Values Applied to Amounts

Preparers should perform final checks on the sign values of the amounts in the instance document. Tools such as the [XBRL US Consistency Suite](#) may be helpful for these checks. There are questions that preparers may consider to assist them in validating the accuracy of sign values in the XBRL files. For example, the SEC<sup>3</sup> proposes that preparers may wish to ask themselves the question, “Does it make sense for the element to be negative given its definition?” The following are some additional questions to consider:

- “Can I have negative Dividends?”
- “Can I have negative Stock Option Forfeitures?”
- “Can I have negative Capitalized Interest Cost?”

In summary, it is important to pay attention to the sign values input into the XBRL files considering the impact incorrect values will have on the data and related data analysis. Performing some of the review steps highlighted in this *Update* can significantly increase the accuracy of the signs in instance documents prepared for SEC submissions.

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<sup>3</sup> SEC Staff Observations from the Review of Interactive Data Financial Statements (December 2011)



# Appendix

## Examples of One-Way elements include:

Element	Balance Attribute
Dividends, Cash	Debit
Interest Expense	Debit
Proceeds from Short Term Debt	Debit
Share-based Compensation	Debit

## Examples of Two-Way elements include:

Element	Balance Attribute
Net Income (Loss), Including Portion Attributable to Noncontrolling Interest	Credit
Income Tax Expense (Benefit)	Debit
Proceeds From (Repayments Of) Debt	Debit
Unrealized Gain (Loss) on Investments	Credit
Increase (Decrease) in Accounts Receivable	Credit

## Examples of elements that do not have a balance attribute defined include:

Element	Type
Net Cash Provided by (Used in) Operating Activities	Monetary
Restructuring Reserve, Period Increase Decrease	Monetary
Share-based Compensation Arrangement by Share-based Payment Award, Options, Number of Shares, Period Increase (Decrease)	Share Item
Stock Issued During Period, Shares, New Issues	Share Item
Share-based Compensation Arrangement by Share-based Payment Award, Options, Nonvested Options Forfeited, Number of Shares	Share Item

## Illustrative Examples

The following are illustrative examples that include many of the concepts addressed in this *Update*.

Monetary Items			
Element Standard Label/ Accounting Concept	Balance Attribute	Amount as Shown in Source Document	Amount to be Entered as:
Defined Benefit Plan, Benefit Obligation, Beginning Balance	Credit	500	Positive value
Defined Benefit Plan, Service Cost	Debit	20	Positive value
Defined Benefit Plan, Interest Cost	Debit	30	Positive value, Definition says "The increase in the obligation ..."
Defined Benefit Plan, Contributions by Plan Participants	Credit	5	Positive value, Definition says "This item represents an increase to the plan obligation ..."
Defined Benefit Plan, Benefits Paid	Debit	(8)	Positive value, Negating Label
Defined Benefit Plan, Actuarial Gain (Loss)	Debit	(15)	Positive value, Negating Label (in this case to represent a gain which reduces the obligation)
Defined Benefit Plan, Curtailments	Credit	(20)	Positive value, Negating Label (in this case to represent a gain which reduces the obligation)
Defined Benefit Plan, Benefit Obligation, Ending Balance	Debit	512	Positive value

The following are illustrative examples that include many of the concepts addressed in this *Update* applied to non-monetary facts (all of which are without balance attributes).

Non-monetary Items			
Element Standard Label/ Accounting Concept	Balance Attribute	Amount as Shown in Source Document	Amount to be Entered as:
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Number, Beginning Balance	No balance type	1,000,000	Positive value
Share-based Compensation Arrangement by Share-based Payment Award, Options, Grants in Period, Gross	No balance type	200,000	Positive value
Share-based Compensation Arrangement by Share-based Payment Award, Options, Exercises in Period	No balance type	(100,000)	Positive value, Negating label added
Share-based Compensation Arrangement by Share-based Payment Award, Options, Forfeitures and Expirations in Period	No balance type	(150,000)	Positive value, Negating label added
Share-based Compensation Arrangement by Share-based Payment Award, Options, Other Increases (Decreases) in Period	No balance type	5,000	Positive value, Negating Label
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Period Increase (Decrease)	No balance type	(45,000)	Negative value (sum of 200-100-150+5)
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Number, Ending Balance	No balance type	955,000	Positive value