Better Data for Better Decisions: Standards to Improve Corporate Government Reporting

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Executive Summary

Thousands of private and public companies submit corporate data to the U.S. Government every year. Government agencies collecting this data, aggregate, scrub and publish it in consolidated form for use by the American public, investors, corporations and other agencies to make decisions about investments, economic policy and corporate strategy. The critical nature of this data cannot be underestimated.

But an in-depth review of the current process reveals that the creation, collection, aggregation and publishing of this information has become a massive task rife with inefficiencies including duplication of reporting facts, inconsistent formats, and the need to rekey much of the information reported.

The result is significant cost to the government of an inefficient, highly labor-intensive collection and analysis system with a high potential for errors, and data that is out-of-date by the time it is published. The cost to reporting companies, given the substantial time spent on collecting the data internally, is considerable. But most importantly, the cost to investors, the American public, U.S. corporations and the government itself, in terms of decisions that may be based on inconsistent and untimely data, is significant.

This paper proposes the use of data and technology standards throughout the government reporting process as a means to vastly increase efficiency, enable faster reporting, and improve accuracy of data. XBRL (eXtensible Business Reporting Language), for example, is an existing technology standard that is now widely used by every U.S. public company and by over 8,000 U.S. bank institutions. Using a data standard like XBRL for corporate reporting to government agencies would make the data computer-readable, reducing the need for further validation and scrubbing by government staff. This not only would reduce costs and improve accuracy, but would also make the data available in real-time.

XBRL is a standard in widespread use around the world. U.S. public companies and, in particular, the corporate controller's office that conducts much of the government reporting done today, use XBRL for quarterly financial statement submissions to the U.S. Securities and Exchange Commission (SEC). Given the increasing use of XBRL, there is already a competitive market of tools available for analysis, processing and the creation of XBRL data.

Using a standard data format for corporate reporting to government agencies would result in substantial savings, increased accuracy and timeliness of critical decision-making information.

Today's Corporate Reporting Issues

Government agencies have substantial information needs and must call upon both public and private companies for data. That data is then aggregated and analyzed to help assess the health of the economy, monitor the application of laws and track domestic and international activities.

For example, the Bureau of Economic Analysis (BEA) fields approximately 14 surveys[1] among public and private companies to generate economic account statistics that enable government and business decision-makers, researchers, and the American public to follow and understand the performance of the U.S. economy. To do this, the BEA collects source data, conducts research and analysis, develops and implements estimation methodologies, and disseminates statistics to the public.

The BEA produces some of the most closely watched economic statistics that influence decisions made by government officials, business people, households, and individuals in areas affecting monetary policy, tax and budget projections, and business investment plans. Accuracy and timeliness are critical factors in the use of this data.

The Census Bureau, which, like the BEA, falls under the U.S. Department of Commerce, collects data on population and housing, state and local governments, and economic indicators. Some of the data collected from companies includes plant capacity utilization, capital expenditures, and spending on information technology.

The SEC has approximately 280 forms[2] that registered companies are required to complete and submit. Some of those filings are required quarterly and others annually; most are done electronically, but not in consistent formats.

The information gathered by these agencies is critical for decision-making in government, private industry, the investment world and the American public. But the current reporting environment has evolved over time -- as new agencies are established and reporting requirements change, the system to manage this enormous wealth of data has not kept pace with the technology available, resulting in a myriad of problems.

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1 Based on review of reports listed on web site for Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget, Executive Office of the President, http://www.reginfo.gov/public/do/PRAMain,, posted under Information Collection Review, Current Inventory, Department of Commerce.

2 Source: SEC's EDGAR Filer manual (Volume II), Index to Forms, December 2010.

Companies must report to multiple agencies, often with similar or even identical reporting demands.

The number of U.S. Federal agencies to which a company must report, depending on its industry, can include the SEC, Commodity Futures Trading Commission (CFTC), Federal Reserve System (Federal Reserve), Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), National Credit Union Administration (NCUA), Office of Thrift Supervision (OTS) , Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), Food and Drug Administration (FDA), Nuclear Regulatory Commission (NRC), Internal Revenue Service (IRS), Department of Commerce (Commerce), Federal Energy Regulatory Commission (FERC), Environmental Protection Agency (EPA), BEA, Occupational Safety and Health Administration (OSHA), Census Bureau, Equal Employment Opportunity Commission (EEOC), Department of Transportation (DOT), and Department of Labor (DOL). This does not include state and other non-federal regulatory bodies.

There is often significant overlap in the data required by multiple agencies. For example, certain of the public company financial statement data, collected by the SEC, are also collected by the Census Bureau, the FDIC and the Federal Reserve, through separate reporting requirements. Many of the items that companies are required to report on BEA Form 11-A depicted below, are also reported to the SEC on Forms 10-K and 10-Q.

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Formatting and frequency can differ between agencies and reports.

Although they may require the same information, agencies often have separate reporting methodologies, formatting requirements and timing of report needs. Submissions can be made using PDF files, CD-Roms, web-based forms, XBRL-formatted documents[3] (XML files), and paper mailings. In large organizations, reports specific to a particular area are typically submitted by the department that manages that area. For example, Human Resources may prepare and submit information to the Department of Labor whereas the Controller and Legal departments generally are responsible for SEC reporting. Given the often decentralized nature of corporate reporting, companies are likely to underestimate the true cost, resources required and extent of government reporting.

The burden of reporting on companies and the inefficiencies in consolidating, validating and analyzing data for agencies is substantial. The use of data standards and improvements in technology could dramatically improve efficiencies, reduce cost and result in greater accuracy and timeliness of critical data used by numerous consumers.

How XBRL Has Transformed Financial Statement Reporting in the U.S.

XBRL is a technology standard, based on Extensible Markup Language (XML), that puts metadata around business information to give both creators and users of that data more context about the data, e.g., labels, definitions, references. XBRL makes information computer-readable which makes it portable, and easier to extract and analyze. In doing so, the use of XBRL enables greater accuracy, reliability and timeliness for users including regulators, investors, and analysts.

XBRL can be used for many different reporting purposes including public company financial reporting, government expenditures reporting, reporting of grants awards, etc. With each XBRL implementation, the parties affected within that supply chain must come together to develop an agreed-upon set of labels and definitions, called a taxonomy, for the terms (concepts) that must be reported. For example, in financial statement reporting, the term Earnings per Share is represented as a concept in the US GAAP Taxonomy with a definition, label, authoritative reference and calculation formula that was agreed upon by the largest six accounting firms, public company preparers and other stakeholders to financial statement reporting.

This defined set of terms becomes the "standard" for the reporting of that information. When reporting requirements change, which often happens over time, the set of definitions (taxonomy) can be revised and re-released. The new release of a taxonomy effectively becomes an alert to all reporting entities that their reporting requirements have changed.   By using the most current release, reporting entities know that they are creating and submitting all items currently required.

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3 The term XBRL document refers to a computer-readable XML file that describes a specific reporting situation, e.g., ABC company's SEC form 10-Q the first quarter 2010.

XBRL also allows reporting entities to create unique concepts called "extensions" to explain situations that are not reflected in the existing taxonomy or set of terms. Extensions provide flexibility and a means of accommodating unique/singular attributes. The use of extensions is optional, and must be allowed by the regulatory body in order for it to be included in reporting. For example, a Census Bureau form likely would not need or even allow the use of extensions.

In 2008, the SEC mandated the use of XBRL for public company reporting. At the time, the SEC contracted with XBRL US, the nonprofit consortium for US-based reporting in XBRL, to build out the US GAAP Taxonomy, which today has over 17,000 separate concepts. This taxonomy was developed by bringing together accounting professionals, public companies, investors and analysts – the creators and consumers – to collaborate on defining all the concepts, labels and definitions. Together, they created what is today the XBRL standard for U.S. financial statement reporting.

The SEC requirement that U.S.-listed companies report in XBRL was rolled out over three years and today every public company must "tag" (format) their financial statement data in XBRL format. The result is that all public company financial data is now automatically computer-readable and available as soon as it is posted to the SEC's EDGAR database. In the past, investors, analysts and regulators were required to download text or HTML versions of public company financial statements, rekey them into a database and check for accuracy before any analysis could be performed. Alternatively, users could purchase data from a financial intermediary that had rekeyed or parsed the text-based financial statements, bucketed the content into their own proprietary categories/definitions for financial statement line items, e.g., revenue, cash, inventory, and then consolidated the data for resale. Purchasing data from an intermediary is costly and, because of the work required of the intermediary, all of the data is not reported on a timely basis.

The full benefits of XBRL in public company reporting have not yet been realized – many companies are just completing their first year of XBRL formatting and more content needs to come online. But the greater usability, timeliness and accuracy are already clear to data consumers:

- Financial statement data that previously took weeks or even months to put into an electronic format is now available to the public immediately after it is submitted to the regulator.

- Most financial statement data reported by public companies is now more comparable from company to company – in the past, one company's "cash" line item could be defined vastly differently from another company's "cash." Today, creators and users have agreed-upon definitions for every term.

- Changes in reporting requirements, like new accounting standards, can be more easily disseminated to the public company universe as companies are required to work with a specified release of the taxonomy, e.g., 2011 Release, 2012 Release. In addition, companies can electronically assess the impact of changes in rules on their filings and quickly assess the impact on future filings.

- Investors and analysts have easier, faster, cheaper access to "as-reported" company data and no longer need to rekey data resulting in greater accuracy and timeliness.

XBRL in Other Reporting Applications

XBRL is also being used outside the United States for government reporting. Using a framework called Standardized Business Reporting (SBR); Australia has implemented an initiative to reduce the business-to-government reporting burden. This major government project streamlines business-to-government reporting through SBR-enabled accounting/payroll software. SBR was co-designed by Australian national, state and territory government agencies in partnership with software developers, business and their accountants, bookkeepers, tax agents and payroll professionals. SBR simplifies business-to-government reporting by:

- removing unnecessary or duplicated information from government forms

- using business software to automatically pre-fill forms

- adopting a common reporting language, based on international standards and best practice

- making financial reporting a by-product of natural business processes

- providing an electronic interface to agencies directly from accounting software, which will also provide validation and confirm receipt of reports

- providing a single secure online sign-on for users to all agencies involved.

SBR went live in Australia in July 2010 and is expected to provide a net benefit to the business community of approximately $800 million per year. An SBR program is also underway in the Netherlands.

Other U.S. applications of XBRL include reporting by mutual funds and credit rating agencies; and XBRL is currently being piloted for the reporting of corporate actions announcements.

United Technologies (UTC) Case Study: One Company's Reporting Process

United Technologies Corporation (UTC) is a $54.3 billion (2010 revenue) diversified company whose products include Carrier heating and air conditioning, Hamilton Sundstrand aerospace systems and industrial products, Otis elevators and escalators, Pratt & Whitney aircraft engines, Sikorsky helicopters, UTC Fire & Security systems and UTC Power fuel cells. UTC has facilities in approximately 70 countries and does business in nearly every country in the world.

UTC is required to report to the BEA, Census Bureau, EEOC, Department of Labor, IRS, Federal Reserve Bank of NY, SEC, EPA, OSHA, DOT and other Federal and state and local government agencies. This paper focuses on a subset of UTC's reporting requirements where data was readily available – specifically the BEA, Census, EEOC, DOL, Federal Reserve Bank and SEC. Because of the complex and decentralized nature of reporting at UTC (as with most companies), it was not possible to easily collect data on *every* government report submitted to

provide a comprehensive snapshot of UTC's reporting process. Therefore, this analysis does not include comprehensive reporting data in other areas such as tax reporting or UTC's Environmental Health & Safety department which covers safety issues, chemicals in use, etc. It is clear, however, that these domains could also benefit from XBRL standardization.

The six agencies covered in this review together require UTC to submit 21 separate reports, some annually, some quarterly, some every 3-5 years, comprising an estimated 376 pages of content. Attachment A depicts the forms covered including a description, frequency, estimated page count and number of items reported, plus an estimate of how many items reported are identical to (overlap with) the items reported to the SEC in corporate financial statements. Although some of these reports require only a single submission at a consolidated level, others require multiple submissions at various defined entity levels. Thus, the 21 reports in actuality become several hundred, as reports from separate UTC entities must be consolidated to create a total company report before submission.

Company reporting to just this subset of reports and agencies is in excess of 12,000 man-hours per year or approximately 1,500 days – the equivalent of hiring 6.8 full time equivalents (FTE), assuming 220 business days per year/8 hours per day. Importantly, preparation time estimates provided by UTC differ greatly from the estimates suggested by the agencies as "burden hours." For example, BEA estimates that preparing form BE-577 takes one hour (58,000 reporting entities with total number of burden hours 58,000)[4]. UTC, based on actual processing, estimates that it requires 250 hours per quarter to prepare the same BEA report. The disparity emanates in part from an implicit assumption that the required data is readily accessible or that reporting is required by only a single entity. In reality, the required data must very often be manually compiled from numerous entities located throughout the world. Consequently, using this statistic alone, it is clear that the true burden of reporting on corporate America is often significantly underestimated by government agencies.

Fifty-five percent of the pages UTC submits to government go to the SEC, which as noted above, is provided in XBRL format. Documents required by other agencies range from paper to web-based entry to file on disk to PDF. In some cases, agencies will accept multiple formats based on company preference. For example, the BEA's Form BE-577 can be submitted as a PDF file or on paper.

It is also important to note that even for those government forms where there is *not* significant overlap with what is reported to the SEC, many of these items could easily be added or developed in XBRL format. This will be discussed later in this paper.

Information UTC reports to the Federal Reserve Bank of NY, BEA and Census Bureau have partial or complete overlap with the financial statement data currently reported to the SEC. The table below depicts only those reports submitted by UTC where there is significant overlap with what is already reported to the SEC in XBRL

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4 Source: Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget, Executive Office of the President, http://www.reginfo.gov/public/do/PRAMain, posted under Information Collection Review, Current Inventory, Department of Commerce.

format. Column 3, depicting "Estimated # Concepts Reported," shows line items within a form: for example, BE-125 includes items such as Sales to Affiliated Foreigners and Purchases from Foreign Persons which could become a concept within a taxonomy. Column 4, "Estimated # Concepts Overlap," shows the specific line items that are identical to those reported to the SEC through the US GAAP Taxonomy.

Government Forms Submitted by UTC that Overlap with US GAAP Reporting to the SEC
(does not include EEOC or DOL reports that do not overlap with SEC)

Agency/Form	Description	Estimated # Concepts Reported	Estimated # Concept Overlap	% Overlap US GAAP	Est. Time Spent By Reporting Entity
Bureau of Economic Analysis					
BE-125 Controllers Qtrly	Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons	79	73	92%	250 hours/quarter
BE-11 Controllers Annual	Annual Survey of U.S. Direct Investment Abroad	68	42	62%	1200 hours
BE-120	Transactions in Selected Services and Intangible Assets with Foreign Persons	79	64	81%	100
BE-577 Controllers Quarterly	Quarterly Survey of U.S. Direct Investment Abroad: Direct Transactions of U.S. Reporter with Foreign Affiliate	51	39	76%	250 hours/quarter
BE-10A	Benchmark Survey of U.S. Direct Investment Abroad	112	82	73%	NA
Census Bureau					
MA-3000 Controllers Annual	Manufacturers Unfilled Orders Survey	9	3	33%	NA
NC-99001 Controllers Annual	Company Organization Survey	17	1	6%	90 hours
QFR-200 Controllers Quarterly	Quarterly Financial Report	67	59	88%	125 hours/quarter
ACE-1	Annual Capital Expenditures Survey	69	22	32%	90 hours/quarter
Federal Reserve Bank of NY					
Form CQ-2	Report of Commercial Liabilities To, and Commercial Claims On, Unaffiliated Foreign Residents	4	4	100%	250 hours/quarter
U.S. Securities and Exchange Commission					
10-Q		Varies	NA	100%	1100 hours
10-K		Varies	NA	100%	2200 hours

NOTE: the table above depicts a subset of the reporting by UTC and does not include environmental or tax reporting.

Note: UTC reporting is handled by multiple departments, e.g., Controller, Human Resources, Legal. Two separate departments may report the same information to different agencies.

Other Government Reporting by UTC

As noted earlier, due to the complexity and difficulty in gathering data at UTC, detailed metrics on the effort required for each individual reporting requirement of the EPA, OSHA, DOT and various tax entities was not readily available; however, data on the number of annual submissions made each year to these entities was estimated at over 21,000. Staff hours for tax reporting on sales & use and property alone were estimated at 40,000 hours - this equates to 22.7 FTE (at 220 business days per year/8 hours per day) – individuals hired simply to handle the substantial reporting demands. Although detail on the breakdown and time spent on individual reports could not be readily and easily captured, the estimates of overall hours spent provide a good sense of the magnitude of the problem in these government reports as well.

The problems inherent in this reporting structure are clear:

- For the company:
  - Duplication – multiple departments reporting the same information to different agencies could easily result in inaccuracies
  - Significant time and cost spent on manually compiling, reviewing and reporting

- For the agency collecting the information:
  - Receipt of multiple non-electronic formats from reporting entities requires translating and rekeying information to a database before analysis can begin
  - Lack of consistency in information reported from one agency to the next because the same data is reported separately to different agencies – there is no central data repository used by the Federal government.

- For the public:
  - Significant time delays before data can be aggregated and made available for use
  - High potential for errors that could directly impact decision-making

Leveraging the US GAAP Taxonomy to Cover Other Government Agency Reports

The 17,000 concept taxonomy that every public company uses today could be leveraged to create XBRL data to report to other agencies beyond the SEC. XBRL's extensibility means it can be expanded for other reporting needs by simply adding new taxonomy concepts or creating modifiers for existing concepts. Public companies already have, and actively use, XBRL creation tools for 10-Ks and 10-Qs – these same tools could be used to tag documents submitted to the Census Bureau or BEA or other Federal agencies. Federal agencies that need to consume this information, analyze it and report to their constituencies could leverage the XBRL-enabled analytical tools on the market today that are being used to work with the vast amount of public company data already available in XBRL. As of this writing, over 12,000 public company financial statements have been submitted to the SEC's EDGAR database in XBRL format. Securities analysts and investors have already begun to use this data in their analytical applications; tools developed for use with the SEC XBRL data can be easily adapted for government consumption of corporate data and for public use of the consolidated data produced by government agencies.

The US GAAP Taxonomy could be used as the base to develop a "Government Reporting Taxonomy" that leverages items already reported in XBRL. The Government Reporting Taxonomy could include "templates" or filters for each government report. The template would be defined in XBRL format and reference only those items needed for a specific report. To create a government report, the company would use currently available XBRL creation software to download the Government Reporting Taxonomy, request the template needed (for example, the BE-577 template), and would be shown only the 51 concepts needed to complete Form BE-577.

To leverage the US GAAP Taxonomy and incur the minimum of additional development work would require:

- Examining the overlap of data required elsewhere against the US GAAP Taxonomy. As noted earlier in the review of UTC reporting, there is significant overlap with reporting to the SEC and to other government agencies. No additional work would be required to use these "overlapping" concepts.

- Adding modifiers to the existing taxonomy. The XBRL architecture allows for the creation of "modifiers" (called members). They can be thought of as the column headers in a table. For example, a company could report Capital Expenditures, but modify that by adding a member for Computer Hardware or Property (this would effectively create concepts for: 1) Capital Expenditures on Computer Hardware and 2) Capital Expenditures on Property). In many cases, the US GAAP Taxonomy contains the base concept that can be easily expanded with members to capture other reporting needs. The example noted on Capital Expenditures applies in the case of the Census Bureau form ACE-1. In this case, Capital Expenditures of Structures is part of the US GAAP Taxonomy - modifiers for individual industries could be added very easily.

- Creating new items to add to the Government Reporting Taxonomy   Of the 68 items on BEA Form BE-11, 42 are already in the US GAAP Taxonomy. Additional items such as Employer ID Number to file income and payroll taxes could easily be added to the base taxonomy.

- Leveraging other XBRL taxonomies currently available. While the US GAAP Taxonomy could serve as the core taxonomy, there are many other completed or prototype taxonomies that have been developed and could be leveraged to fill the gaps in concepts needed.

The Government Reporting Taxonomy could be managed by a single organization like the Office of Management & Budget (OMB) in its critical role as collector and disseminator of information. Each agency would submit its own reporting requirements to OMB for the initial development of the taxonomy. Over time, as reports change, each agency would submit their change requests to OMB which would model those changes into the next release of the taxonomy.

Using this Approach to Improve UTC Government Reporting

XBRL could be used to create many of the reports currently filed by UTC. Attachment B provides detailed suggestions of how XBRL taxonomy concepts could be created for government reports submitted by UTC. XBRL-formatted documents could be submitted to a single data repository where agencies could access what they need, when they need it.   Submission in XBRL format means the data generated would be consistent and significantly more functional. Using XBRL for UTC corporate reporting versus the current process could help UTC streamline its own processes by:

- Sending consistent, more accurate data to Federal government agencies. Financial data reported to the SEC would be the same data reported to the BEA, Census Bureau, Federal Reserve and potentially

other Federal government agencies. Separate UTC departments would draw from the same internal database and have confidence that they are extracting the same line items because they are literally using the same "tag." For instance, SEC Forms 10-Q and 10-K require the reporting of Total Owners Equity. The same concept is also required by the Census Bureau's Form BE-11A, the Annual Survey of U.S. Direct Investment Abroad. The tagging of that item in UTC's financial management system means it could easily be extracted for both reporting requirements.

- <u>Reducing time spent to generate reports.</u> Today, staff at UTC spend significant time searching out data from multiple reporting entities, consolidating the data and then ultimately reporting to government, even for those reports that may only require 20 data items. For its financial statement reporting, UTC creates XBRL-formatted financials directly through its financial management system by using software that maps its internal systems to the US GAAP Taxonomy. To create its SEC reports, UTC simply extracts data from its internal financial management system already in XBRL format and uploads it to the SEC's EDGAR (Electronic Gathering & Retrieval) System. For other reports, the Government Reporting Taxonomy could similarly be mapped to UTC's internal system so that UTC could download the taxonomy, pull up the necessary government form template, tag the concepts which are not already tagged (those items that were already tagged through financial statement reporting to the SEC would automatically populate the template) and automatically produce the report in XBRL, with a significant savings in time and resources. If reporting requirements have changed from the last time UTC submitted it, the revisions would appear in the most current release of the template and taxonomy.

- <u>Validating or "checking" data could be built into the reporting system, ensuring greater accuracy and reducing time spent on error-checking.</u> A substantial part of UTC's staff time is spent checking and rechecking the data for errors since it is often obtained from multiple entities and different systems. XBRL concepts provide clear definitions, labels and other features that reduce the chance of inputting the wrong information or misinterpreting the output. Validation software can be used to put constraints around concepts so that it is more difficult to introduce mistakes in the data. For example, if an item should always be greater than zero but less than 1, validation software can perform a test to ensure the data remains within the boundaries set. UTC can perform checks throughout the report creation process, so that errors are highlighted instantly and corrections can be made immediately before submission to the agency. Continuous validation can reduce UTC's costs by reducing review time. This is proven out by the FDIC's experience using XBRL for bank call reports. The ability to validate data as it was input, resulted in a move from 70 percent data accuracy to 100 percent data accuracy when bank information was received by the agency.[5]

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5 Source: FFIEC, Improved Business Process Through XBRL, A Use Case for Business Reporting.

- Streamlining data submissions. Because UTC will be able to report in the same format, to the same data repository, the process will be easier, with less chance for error. The process would be more cost-efficient as UTC could leverage the same systems and software for multiple reporting needs.

When the Federal agency receives the XBRL-formatted data, the reporting process can be improved and users will benefit. Specifically:

- Data needed for decision-making will be produced more quickly . Federal agencies will receive computer-readable data that can be automatically extracted, aggregated and reported to other constituencies both inside and outside of government.

- Data is aggregated more accurately. Since data is generated directly from UTC's financial management system in XBRL (computer-readable) format, there's no need for paper-based, PDF or html documents that must be rekeyed or parsed by the government agency, potentially introducing errors into the aggregated data created. And since the same data being reported to the SEC is also reported to the BEA, Census Bureau, etc., there will be consistency of data across agencies. Government agencies could also use validation or "checking" software on their end to test for data quality comprehensively and consistently against all reports submitted.

- Revising forms and alerting reporting entities is much easier which reduces agency cost. Government reporting needs may change with new items required and old items deleted. When creating a form, UTC would always go to a single, government-designated web site to access the Government Reporting Taxonomy. The latest release of the taxonomy and most current template would be maintained online.
- Accessing data submitted to a single data repository would be more efficient and consistent. Federal agencies could retrieve information when needed from a single source, confident that data reported to the BEA that overlaps with the SEC is identical.

How It Would Work: An Example of Corporate Reporting of BEA Form BE-577

BEA Form BE-577 contains 51 concepts, 39 of which are in the US GAAP Taxonomy. Twelve concepts, e.g., Name of Foreign Affiliate, would need to be added to the base Government Reporting Taxonomy, which would require little additional work. Once all the concepts required for the Form are included in the base taxonomy, a template could be created for Form BE-577 that references the underlying taxonomy. To prepare the submission for the BEA, UTC would open their commercially available XBRL software and call up the Government Reporting Taxonomy and the BE-577 template. The template would provide *only* the 51 items needed for that report. The 39 items that had already been tagged through UTC's financial statement reporting to the SEC would automatically be extracted from their system into the BE-577 template and UTC would then tag the remaining twelve concepts. The software would produce a complete XBRL document containing the 51 data items.

The BEA could establish a secure server to accept the XBRL documents and confirm that they were being sent by the appropriate entity. Alternatively all reports could be submitted to a central agency that accepts submissions to all Federal government agencies. This latter approach is being adopted for XBRL SBR initiatives in Australia and the Netherlands as described earlier.

Fifty-eight thousand public and private companies report on Form BE-577, which is submitted in PDF or paper. If these same documents were reported in XBRL, the time required to get this information to the American public would be near real time compared to the current process which requires collecting, databasing and scrubbing prior to analysis. Reporting in XBRL format could significantly reduce the workload on government agencies and help public companies leverage the expertise they already have in XBRL.

Conclusions

The use of a data standard like XBRL, combined with the establishment of a single information repository, would dramatically reduce the cost and inefficiencies in corporate reporting to government agencies. The initial implementation would require the expertise of subject matter experts and XBRL technologists, but the infrastructure is already available and in place because of the SEC's XBRL program for public company financial reporting used today.

The benefits of such a move – reduction in cost for corporations and government, greater accuracy and timeliness for the many decision-makers that rely on this data – far outweigh the implementation costs and would create a flexible reporting system that could change and grow with government needs.

Attachment A

Agency	Description	Frequency	Estimated Page Count	Estimated Concepts Reported	Number Concepts Overlap	Estimated % Overlap US GAAP	Estimated Hours Spent By Reporting Entity
Bureau of Economic Analysis							
BE-125 Controllers Qtrly	Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons	Qtrly	11	79	73	92%	250 per quarter
BE-11 Controllers Annual	Annual survey of U.S. Direct Investment Abroad	Annual	10	68	42	62%	1200
BE-120	Transactions in Selected Services and Intangible Assets with Foreign Persons	Every 5 years	25	79	64	81%	100
BE-577 Controllers Quarterly	Quarterly Survey of U.S. Direct Investment Abroad: Direct Transactions of U.S. Reporter with Foreign Affiliate	Qtrly	2	51	39	76%	250 per quarter
BE-10A	Benchmark Survey of U.S. Direct Investment Abroad	Every 5 years	10	112	82	73%	10
Census Bureau							
MA-3000 Controllers Annual	Manufacturers Unfilled Orders Survey	Annual	2	9	3	33%	10
NC-99001 Controllers Annual	Company Organization Survey	Annual	8	17	1	6%	90
QFR-200 Controllers Quarterly	Quarterly Financial Report	Qtrly	2	67	59	88%	125 per quarter
ICT-1	Information and Communication Technology Survey	Annual	10	7	0	0%	90 per quarter
ACE-1	Annual Capital Expenditures Survey	Annual	9	69	22	32%	90 per quarter
MECS - EIA - 846	Manufacturing Energy Consumption Survey	Every 4 years	60	NA	0	0%	100
MQ-C2	Survey of Plant Capacity Utilization	Qtrly	3	13	0	0%	90 per quarter
EEOC							
EEO-1	Employer Information Report EEO-1	Annual	2	22	0	0%	10
Department of Labor							
VETS-100	Federal Contractor Veterans' Employment Report	Annual	2	28	0	0%	10
VETS-100A	Federal Contractor Veterans' Employment Report 100A	Annual	2	31	0	0%	10
Form 5500	Annual Return/eport of Employee Benefit Plan	Annual	NA	36	0	0%	NA
Form 990	Return of Organization Exempt From Income Tax	Annual	NA	187	0	0%	NA
Federal Reserve Bank of NY							
Form CQ-2	Report of Commercial Liabilities To, and Commercial Claims On, Unaffiliated Foreig Residents	Qtrly	8	4	4	100%	250 per quarter
Securities and Exchange Commission							
Form 10-K	Consolidated Annual Report	Annual	100	Varies	NA	100%	1100 per quarter
Form 10-Q	Consolidated Quarterly Report	3X/year	45	Varies	NA	100%	2200
DEF 14A	Definitive Proxy Statement	Annual	65	Varies	NA	0%	NA
TOTAL			Estimated Page Count 376	Estimated Concepts Reported 879	Number Concepts Overlap 389	Estimated % Overlap US GAAP 44%	Total No. Hours 12,180

Attachment B		
Agency/Form	**Description**	**Adapting the Report to Leverage Other Reporting Requirements with XBRL**
Bureau of Economic Analysis		
BE-125 Controllers Qtrly	Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
BE-11 Controllers Annual	Annual Survey of U.S. Direct Investment Abroad	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
BE-120	Transactions in Selected Services and Intangible Assets with Foreign Persons	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
BE-577 Controllers Quarterly	Quarterly Survey of U.S. Direct Investment Abroad: Direct Transactions of U.S. Reporter with Forign Affiliate	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
BE-10A	Benchmark Survey of U.S. Direct Investment Abroad	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
Census Bureau		
MA-3000 Controllers Annual	Manufacturers Unfilled Orders Survey	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
NC-99001 Controllers Annual	Company Organization Survey	Limited overlap with US GAAP Taxonomy. Other concepts would need to be created.
QFR-200 Controllers Quarterly	Quarterly Financial Report	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
ICT-1	Information and Communication Technology Survey	No overlap, all concepts would need to be created.
ACE-1	Annual Capital Expenditures Survey	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy; additional concepts could be added easily.
MECS - EIA - 846	Manufacturing Energy Consumption Survey	No overlap, all concepts would need to be created.
MQ-C2	Survey of Plant Capacity Utilization	No overlap, all concepts would need to be created.
EEOC		
EEO-1	Employer Information Report EEO-1	No overlap, all concepts would need to be created.
Department of Labor		
VETS-100	Federal Contractor Veterans' Employment Report	No overlap, all concepts would need to be created.
VETS-100A	Federal Contractor Veterans' Employment Report 100A	No overlap, all concepts would need to be created.
Form 5500	Annual Return/Report of Employee Benefit Plan	No overlap but should tie in to pension-related data reported in company's US GAAP financial statements
Form 990	Return of Organization Exempt From Income Tax	No overlap with US GAAP Taxonomy but FASB is considering creating Nonprofit (990) taxonomy
Federal Reserve Bank of NY		
Form CQ-2	Report of Commercial Liabilities To, and Commercial Claims On, Unaffiliated Foreig Residents	Significant overlap with US GAAP Taxonomy which could be used as base for Federal Reporting Taxonomy.
Securities and Exchange Commission		
Form 10-K	Consolidated Annual Report	Reported in XBRL using US GAAP Taxonomy
Form 10-Q	Consolidated Quarterly Report	Reported in XBRL using US GAAP Taxonomy
DEF 14A	Definitive Proxy Statement	Company identifier information from the US GAAP Taxonomy could be used for reporting. A prototype taxonomy for proxy reporting is available and could be updated and used for this purpose.