

1 Building XBRL Taxonomies

1.1 Overview

This section provides an overview of the process of building XBRL taxonomies. It is based on the process used by the XBRL Domain Working Group's process for building the CI taxonomy.

Note that this is not a linear process. The process "cycles" over and over as learning occurs, new ideas are generated. The best time to create the taxonomy is when you are already done! That is when you have the best understanding of the entire process. The trick is to try and get the highest level of understanding of the entire process as early in the process as possible.

1.2 Overview of Steps

The following is a summary of the steps in building any taxonomy:

1. **Source** - Obtain documentation that describes the taxonomy you wish to represent in XBRL.
2. **Structure** - Determine how information should best be represented as elements within the taxonomy considering the taxonomy, the constraints of XML, the constraints of XBRL, clarity of presentation. Basically, this is about selecting the proper parent-child relationships, groupings, etc.
3. **Collect** - Collect that information, preferably in an electronic format such as Excel.
4. **Enter** - Import or key the elements into the Taxonomy Builder, notepad, or other application to build the taxonomy.
5. **Scrub** - Scrub the information checking consistency, correcting errors, etc.
6. **Test** - Try and represent the information in XML.
7. **Export** - Export the taxonomy into the specified XSD file.

1.3 Example: How the CI taxonomy was built

The following is a summary of the steps used in building the CI taxonomy by the XBRL Domain working group.

1.3.1 Source

The primary source for creating the CI taxonomy was the AICPA "Checklists and Illustrative Financial Statements for Corporations" disclosure checklist. In addition, each of the Big 5 national firms used their internal disclosure checklists to supplement the AICPA disclosure checklist.

1.3.2 Structure

It was determined how information from the disclosure checklist was to be structured. This is the most difficult part of the process. The following are some comments relating to this process:

- ?? It is not appropriate to simply take information which is in a disclosure checklist and “transfer” it as is to the taxonomy.
- ?? If this process is done correctly, it makes all the following steps easier.

1.3.3 Collect

This is the point where the structured information is entered into an Excel spreadsheet or collected in some manner to be entered into the Taxonomy Builder or other application to create taxonomy.

1.3.4 Enter

After the information is collected, it is then entered or imported into the application to build the taxonomy. Clearly, collecting the information in a format in which it can be imported is preferable. Otherwise, information will need to be manually keyed.

- ?? It is **CRITICAL** to properly plan the collection process to minimize the entering process.

1.3.5 Scrub

Entered information is scrubbed to correct errors, make things more consistent, etc. The best place to do the scrubbing is **DURING THE COLLECTION PHASE**. The easiest place to do it is within the Taxonomy Builder application. Can be a tradeoff.

1.3.6 Test

It is important to actually test the taxonomy to be sure you can actually create XML to represent information from within the taxonomy.

1.3.7 Export

Once all the information for the elements in the taxonomy have been collected, corrected, etc., it can be exported into the final result: the XSD file which is the specification set by XBRL.

1.4 **What expertise you will need to build a taxonomy**

There are several different types of expertise you need in order to effectively build a taxonomy. It is difficult to get this expertise in one person. Generally, it will be several persons with different skills working together to make the entire process work. Many times there are conflicting desires at work.

1.4.1 XBRL Expertise

In order to build a taxonomy you clearly need someone who has an understanding of the XBRL specification for creating taxonomies. In addition, you need someone who has an

understanding of how to build XBRL instance documents. If you do not have this expertise, you may be building the taxonomy so that it cannot be properly represented in an instance document.

1.4.2 Domain Expertise

Clearly, you need domain experts to help create a taxonomy. Experts in the area of the taxonomy is critical or the taxonomy could be incomplete, incorrect, etc.

1.4.3 Database/Application Development Expertise

A database or application development resource is required. It is important to have their insight into selecting element names, deciding which way to go when tradeoffs need to be made, understanding data types, etc.

1.4.4 Administrative Support

If there is a strong process in place, many of the tasks in taxonomy development become administrative in nature.

1.4.5 Review Support

The more eyes that look at the taxonomy, the more insight that will be obtained and incorporated into the taxonomy. There is a tradeoff between too many eyes and an unmanageable process. A balance needs to be achieved.