



Smaller Public Companies' Experience with the SEC XBRL Filing Mandate

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Agenda

- Introduction
- Background
- Overview
- Legislative Landscape
- Literature
- Methodology
- Questions

Background

- Smaller public companies in the U.S. that are required to comply with the 2009 with the U.S. Securities and Exchange Commission's 2009 XBRL reporting mandate.
- Some argue that this requirement unfairly handicaps small business growth.
- In response, congressional legislation has been filed that proposes an exemption from the XBRL requirement for public companies with annual revenue of less than \$250 million to exempt them from the requirement to lessen that burden.

Objectives

- This research examines:
- The motivation for the legislation,
- Smaller public companies' experience with the reporting mandate,
- **How CFOs consume XBRL data filed with the SEC, and**
- If the proposed legislation is necessary

US Legislative Action to Exempt Small Companies

- **Scope**

- Exempt Companies with Less than \$250 Million in Revenue
- Promote Small Business Interests
- Small Businesses are Overburdened with Compliance

- **Hurt (VA)**

- Sponsored Two Bills that Died in Committee

- **Trend Moving to Require More Structured Data Reporting**

Literature

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- Brands, K. (2013). **An IMA member shares his XBRL filing experience.** *Strategic Finance*, 95(7), 56-57.
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The GAP: CFO/Controller XBRL Experience



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Methodology

- **Mixed Methods**

- Phase 1 Qualitative

- In-depth Interviews with CFOs or Controllers of Smaller Public Companies to Examine their Experience with XBRL Filing Mandate
 - Snowball Sampling Method
 - Develop survey questions in collaboration with AICPA and xbrl.us

- Phase 2 Quantitative

- Survey broad sample of SPCs
 - Develop recommendations from survey results

The Sample Smaller Public Companies

- **Public Companies with Less than \$75 Million in Public Float**
 - **Public float** or **free float** represents the portion of shares of a corporation in the hands of public investors
 - **Value** of Shares
- **Initial Sample - Purposeful**
- **Snowball Sample**
 - Mary Medley, AICPA, XBRL.us

In Depth Interview Observations

- Small Accounting Departments
- Limited Budget for Training
- Unaware of Tools for XBRL Analytics
- Big Cost; No Benefits
- No Perceived Usefulness
- Not Easy to Use



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Questions



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