

AGA FMSB Comments on Exposure Draft
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vii	Executive Summary	Executive Summary	...a number of projects to standardize business processes and data elements, including this effort to develop a common government-wide accounting classification (CGAC) structure for use by all Federal agencies.	STANDARDIZATION ACROSS DISPARATE CORE FINANCIAL SYSTEMS - standardization of accounting elements, used in Financial Reporting is a key component of the OPEN Source Technology offered by Extensible Business Reporting Language (XBRL) as evidence by the recent AGA and XBRL US exchange event: "XBRL is gaining growing acceptance around the world as governments and businesses realize the need to provide users with comparable and consistent data and to be able to communicate that <u>across business systems</u> and accounting standards that exist today. The recent announcement by the SEC was a watershed event marking the beginning of the US movement to use XBRL for corporate reporting."	AGA FMSB	(703) 562-0087
vii	Executive Summary	Executive Summary	the idea is presented that establishment of the CGAC structure "establishes a standard way to classify the financial effects of government business activities."	XBRL "Opens up" Data locked in Accounting Systems - We agree that the proposed CGAC structure will help to establish a uniform structure, However any structure that is captured in proprietary accounting software will remain difficult to communicate outside that system. In an Institute of Management Accountants Strategic Finance article (https://www.imanet.org/pdf/3368.pdf) by Neal Hannon entitled <i>Making Data the Center of your Information System</i> Mr. Hannon states " <u>Modern accounting systems, however, do a curious thing: They take accounting data, capture it, and immediately lock it up in proprietary formats.</u> " We would suggest that along with the CGAC structure, the FMLoB CGAC structure include an XBRL Open Source Schema, that will allow FSIO software vendors to communicate financial reports and transactions outside of their proprietary software. The large financial systems vendors (Oracle, SAP, PeopleSoft) are already doing this in their non-federal sector financial reporting packages.	AGA FMSB	

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vii	Executive Summary	Executive Summaryrequirements for core financial management systems so that software products will be configured to support the structure	XBRL is an independent tool to verify COTS configuration - Configuring a high level accounting system can be very complex, and usually requires software experts that understand the core financial system configuration process in detail. Having an Open Source XBRL verification independent from the proprietary vendors core financial system would help ensure that the intended results of the CGAC structure are configured correctly.	AGA FMSB	
vii	Executive Summary	Executive Summary	Facilitated sessions are planned in February 2007	XBRL US Inc. would like to participate in the FMLoB process - XBRL would like to participate in the February 2007 session and provide support where XBRL can further enhance the process. In addition to the technical XBRL expertise represented with the organization, The Public Sector Group can also draw on it's International representation from Oracle, PeopleSoft, SAP as well as Hyperion, SAS, and others.	AGA FMSB	
1	1.1	Backgroundinitiative is that Federal agencies implement financial management systems that produce timely, useful, and reliable information for decision making .	XBRL is a cost effective tool for aggregating, verifying and presenting financial data - As a result of major accounting scandals in major corporations, Sarbanes Oxley, and now the high cost of implementing Sarbanes Oxley, XBRL is becoming a Key factor in preparing timely, useful and reliable financial reports. CFO's & Budgeteers in the federal government should follow the lead of private companies and other international countries in evaluating and using XBRL.	AGA FMSB	
1	1.1	Background	...applicable accounting standards	Accounting standard setters support XBRL -, such as the AICPA, FASB, FAF, PCAOB, IFRS, IASB, and other such as the Institute of Management Accountants see XBRL as a key accounting standards in the electronic age. Including XBRL in the CGAC structure will allow FASAB, Treasury FMS, GAO and other federal accounting standard setters to take advantage of this technology.	AGA FMSB	

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1	1.1	Backgroundfocuses on leveraging technology investments across government and standardizing the underlying business processes of Federal agencies	XBRL has a proven record of efficiency - The use of XBRL in the FDIC "Call Report" (Bank Financial Statements) has proven that XBRL can improve efficiency in financial reporting and managing business processes, in a large government operation. The future plans at the SEC and in International governments also confirm that XBRL is here to stay.	AGA FMSB	
1	1.1	Background	Facilitate stronger internal controls	TOP CPA Auditing firms recognize XBRL as an <u>enabler</u> in "Next Generation" of financial reporting and auditing - The CEO of the six largest auditing firms (Pricewaterhousecoopers, KPMG International, Grant Thornton International, BDO International, Deloitte and Ernest & Young), recently issued a report on the financial reporting model of the future which can be viewed at www.GlobalPublicPolicySymposium.com , XBRL was identified on page 16 of this document which says "This global 'XBRL' initiative, or perhaps other reporting related technologies, are likely at some point to revolutionize the entire company reporting model — what information is presented and how, and how it is audited." the report also goes on to describe ' xbml: an important enabler -- Just as the Internet is rapidly changing the way individuals and businesses engage in commercial and social activities, a major project under way in the financial arena — the Global XBRL Initiative — promises to revolutionize the way investors, governments and companies themselves use, analyze and generate information. This revolution, in turn, must eventually	AGA FMSB	

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1	1.1	Background	Reduce costs by providing a competitive alternative	XBRL Complements FSIO Certified Vendors - Use of XBRL would allow financial statement preparers to enjoy the benefits of FSIO certified software and shared service providers, and also allow Open Source collection of financial reporting data at a governmentwide level. This will provide a cost effective alternative/complement to relying entirely on the configuration provided by FSIO COTS vendors.	AGA FMSB	
1	1.1	Background	Provide for seamless data exchange	XBRL is a standard for seamless data exchange	AGA FMSB	
2	1.2	Desired Outcomes from Implementing the CGAC Structure	Promote a universal understanding of data elements	XBRL modeling complies with FEA - A Universal Understanding of data Elements is exactly what an XBRL Schema or Taxonomy would do. Using a technology known as XML, extensible markup language. The XBRL/XML methodology in consistent with the standards of the Federal Enterprise Architecture (FEA) model.	AGA FMSB	
2	1.2	Desired Outcomes from Implementing the CGAC Structure	Help agencies standardize accounting codes internally.....and facilitates the implementation process	XBRL technologies will be interoperable with other state-of-the art technologies - The use of data elements that are defined in XBRL will facilitate the use and monitoring of standard accounting codes. In addition to the financial vendors other off-the-shelf software like Excel, Word, Adobe PDF, Web Browsers and Website, and Google search engines can read XBRL documents in a more efficient way than standard PDF files.	AGA FMSB	
2	1.2	Desired Outcomes from Implementing the CGAC Structure	Aid in the aggregation and comparison of data across the government	A main advantage of XBRL is its aggregation & it ability to present and compare - XBRL is a proven state of the art technology utility that demonstrates its powerful Aggregation & Comparability capabilities. This is evidenced by existing successes of XBRL projects at the FDIC, The SEC, Edgar Online, the Korean Stock Exchange, HUD XBRL-GL project and many others.	Don Geiger, CPA, Co-Leader Governmental XBRL CoP	

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7	2.3	Agency Latitude in Application of These Standards Increases Government Costs	The current standards allow for considerable flexibility in how an agency designs its accounting classification structure.	XBRL is a complement and enabler to FSIO COTS Software - We believe that the flexibility that exists today, is not by design, but is a result of using COTS core financial systems, and attempting to fit the federal reporting model into systems designed for the corporate reporting model. When a configuration issue is identified, decisions or tradeoffs are necessary. XBRL will be a wonderful complement or enabler because it will allow the structure to be verified by an open source standard outside of the proprietary COTS vendor software.	AGA FMSB	
11	3.1	Universe of Elements	Missing elements from CGAC Structure	USSGL Transaction code should be included in CGAC - USSGL defines a 4 character transaction code (http://fms.treas.gov/ussgl/tfm_releases/06-02/2007/sec3_translist_2007.doc) and description for every type of transactional entry within the USSGL, In addition to the code and description valid SGL accounts are provided. This transaction code should be used by CGAC so that users of the financial reports can verify that the core system is making the correct entry.	AGA FMSB	
12	3.1	Universe of Elements	CGAC Elements captured in a transaction	Transactions needs to be defined - We suggest that further definition be developed that will define exactly what a transaction is. For example is a transaction one line of a journal entry?, is it a balanced journal entry (numerous lines), is it one line of a payroll time sheet?, what is a transaction in a feeder system vs. general ledger system?, does a transaction have a header record and detail? Is a transaction an invoice, or purchase order, of cash payment, are transactions linked together.	AGA FMSB	

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12	3.1	Universe of Elementsderived by the system	Derivation needs to be defined and reconsidered We suggest further definition of the word derived . In most of the core financial systems derived carries a specific proprietary meaning. This meaning is often defined by a set of configuration standards or business rules. If the CGAC structure is going to include derivation of data elements, then the derivation rules must be defined within CGAC. Automatic derivation of data elements sounds good but unfortunately often leads to errors over time when the derivation rules rely on specific versions of tables and data sets, or even upon simple data entry errors will cause derivation problems.	AGA FMSB	
12	3.1	Universe of Elementsat the time a transaction is entered	"System Interfaces" should be considered as an equal focal point along with "Data Entry" - very rarely do transactions actually get entered into a core financial system, they are interfaced from other feeder applications (i.e. payroll, procurement, travel, etc)"	AGA FMSB	
12	3.1	Universe of Elements	Multiple classification elements are needed to accommodate the way data are arrayed in financial reports of the Federal government. To address this, the CGAC structure includes a relatively large number of elements	Multiple classification elements should be modeled in an XBRL Schema , Parent/Child, dimensional and other relationships defined with the schema. Allowing proprietary vendors and individual agencies and bureaus to model this data will result in inconsistent results.	AGA FMSB	
13	3.2	Scope of the CGAC Structureclassification elements needed to support all standard external financial reports, general internal financial reports	Industry best practices suggest modeling financial reports in XBRL , as evidenced by the international report referred to earlier from the top six audit firms, suggest modeling of financial reports in a schema, XBRL provides a state-of-the-art technology for this.	AGA FMSB	
13	3.2.1	External Reports	Preparation of adjusted trial balances submitted through the Federal Agencies' Centralized Trial-Balance System FACTSI and FACTS II	XBRL is being evaluated by Treasury for FACTSI and FACTSII transmissions - The Department of Treasury FMS & Departmental Offices are planning to pilot test XBRL in the FACTSI and FACTII submission processes. Having CGAC and the CORE financial Requirements specific XBRL usage would further enhance the Treasury use of XBRL.	AGA FMSB	

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13	3.2.2	Internal Reports	Transactions registers	HUD currently uses an XBRL-GL - to interface for transactional elements from a feeder system into a PeopleSoft, using XBRL in the CGAC structure would further support this effort.	AGA FMSB	
23	4.2.1	Entity Identifier	Entity and Display	We feel that further clarification of the entity in necessary. Especially at the Departmental level, there needs to be clarification of the reporting between bureau/component and the Department and the Department to Governmentwide. What level of transactional (CGAC elements) will be needed at the Departmental level?	AGA FMSB	
26	4.3.1	Strategic Goal		Strategic Plan Elements defined in XML - We suggest that harmonization with the StratML CoP effort to define elements in an XML format, be considered by the CGAC group. The StratML CoP is organized by Adam Schwartz [aschwartz@gpo.gov].	AGA FMSB	
39	5	Summary Matrix of CGAC Elements	CGAC Elements	XBRL US Inc. will demonstrate how XBRL elements can be included in this Matrix - We suggest that The XBRL community prepare additional columns in the CGAC element Matrix that would correspond to an XBRL Schema/Taxonomy.	AGA FMSB	
63	Appendix B	Suggested Additions	Entity or Non-entity Indicator	We agree that this is required	AGA FMSB	
63	Appendix B	Suggested Additions	Covered or uncovered indicator	We agree that this is required	AGA FMSB	
63	Appendix B	Suggested Additions	Other Financial Statement Crosswalk Problem	We suggest that the OMB A-136 committee address other required elements in the crosswalk in conjunction with FMS.	AGA FMSB	
73	Appendix E	Core Financial System Requirements	Core Financial System Requirements - Systems Requirements	We suggest that the XBRL community prepare additional requirements that would be included in the System Management Section of the Core requirements.	AGA FMSB	
75	Appendix E	Core Financial System Requirements	Core Financial System Requirements - General Ledger Requirements	We suggest that the XBRL community prepare additional requirements that would be included in the General Ledger Section of the Core requirements.	AGA FMSB	
76	Appendix E	Core Financial System Requirements	Core Financial System Requirements - Budgetary Requirements	We suggest that The XBRL community prepare additional requirements that would be included in the Budgetary Section of the Core requirements.	AGA FMSB	

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76	Appendix E	Core Financial System Requirements	Core Financial System Requirements - Cost Management Requirements	We suggest that The XBRL community prepare additional requirements that would be included in the Budgetary Section of the Core requirements.	AGA FMSB	