FASB Taxonomy Style Guide

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Balance Type

FASB U.S. GAAP Financial Reporting Taxonomy (Taxonomy)

Style Guide Series

Financial Accounting Standards Board

The Balance Type Guide is not authoritative; rather, it is a document that communicates how the U.S. GAAP Financial Reporting Taxonomy (Taxonomy) is designed. It also provides other information to help a user of the Taxonomy understand how elements and relationships are structured.

1. Overview

1.1 Purpose of the Balance Type Guide ("Guide")

The purpose of this document is to provide guidance for modeling the balance type—debit or credit—of monetaryItemType elements contained in the U.S. GAAP Financial Reporting Taxonomy (Taxonomy). This guidance is used by the FASB Taxonomy staff to model the balance type attribute using a clear, structured and consistent framework. When the balance type is determined, other aspects of an element are aligned for consistency, such as, the perspective in which the definitions should be written, how parentheses should be applied in the standard and documentation labels, and the intended meaning of positive and negative values. Additionally, it is intended to serve as a reference for users to help determine the balance type attribute when an extension element is created to tag a monetary value in an instance document.

While constituents may find the information in this guide useful, users looking for guidance to conform to SEC XBRL filing requirements should look to the SEC EDGAR Filer Manual and other information provided on the SEC's website at xbrl.sec.gov.

Certain elements within the current Taxonomy have balance type attributes that do not yet conform to this Guide. However, it is the framework upon which the balance type attribute is now determined. New Taxonomy elements will be modeled using this Guide. Existing Taxonomy elements will be evaluated in connection with topical focus or other projects.

The standard and documentation labels used in this Guide are provided for illustrative purposes only and while they could change in future releases of the Taxonomy, they will not be updated unless the content of this Guide changes.

1.2 Balance Type Attribute

The balance type attribute applies to elements with a monetaryItemType. The balance type can be either a debit or credit. One of the purposes of the balance type is to determine how elements relate to each other when participating in a calculation relationship. A calculation weight of 1 or -1 is assigned based on the balance type attribute of the summation (parent) element. If the summation element does not have a balance type attribute, such as the increase (decrease) elements used in roll forward calculations, then the calculation weight is assigned based on the element's impact to the balance of the roll forward. Also, when there is a choice of entering a positive or negative value for an element, the balance type attribute is used to determine whether a positive or negative value

should be entered in the instance document. For example, if an element is modeled as a credit balance type with a positive value intended to be entered (tagged) for income, then a loss is intended to be entered (tagged) as a negative value.

2. Summary of Terms

The Guide contains certain unique terms that need to be defined and explained in order to use the Guide to determine the appropriate balance type. These terms are as follows:

2.1 Financial Statement Account

A **Financial Statement Account** represents an account or line item in which a disclosure is recognized, or would be recognized for future or sensitivity disclosures, in a primary financial statement; or the perspective in which a disclosure is related or is being presented. There are four Financial Statement Accounts contained in this Guide:

- cash flows
- other comprehensive income (OCI)
- income statement
- balance sheet

To model the balance type attribute, each disclosure should first be evaluated to determine which Financial Statement Account to apply and thus which modeling perspective to follow to determine the balance type. If more than one Financial Statement Account could apply, review the disclosure requirement and choose the appropriate perspective. For Defined Benefit Plan disclosures, the benefit obligation account and the plan asset account represent the balance sheet accounts applicable for such disclosures.

The following are four examples to help illustrate this term:

1. The disclosure for the net amount of proceeds from repayments of notes payable is represented by the element "Proceeds from (Repayments of) Notes Payable" and is defined as: *Amount of cash inflow (outflow) from long-term debt supported by a written promise to pay an obligation*. This disclosure is recognized in a cash flow account. To model an element for this disclosure, the cash flows perspective should be followed.

2. The disclosure for the taxable amount of OCI attributable to the parent is represented by the element "Other Comprehensive Income (Loss), Tax, Portion Attributable to Parent" and is defined as: *Amount of tax expense (benefit) allocated to other comprehensive income (loss) attributable to parent entity*. This disclosure is recognized in an OCI account. To model an element for this disclosure, the OCI perspective should be followed.

3. The disclosure for the provision for doubtful accounts is represented by the element "Provision for Doubtful Accounts" and is defined as: *Amount of expense related to write-down of receivables to the amount expected to be collected. Includes, but is not limited to, accounts receivable and notes receivable*. This disclosure is related to an income statement account. To model an element for this disclosure, the income statement perspective should be followed.

4. The disclosure for the amount of current accounts payable is represented by the element "Accounts Payable, Current" and is defined as: *Carrying value as of the balance sheet date of liabilities incurred (and for which invoices have typically been received) and payable to vendors for goods and services received that are used in an entity's business. Used to reflect the current portion of the liabilities (due within one year or within the normal operating cycle if longer)*. This disclosure is related to a balance sheet account. To model an element for this disclosure, the balance sheet perspective should be followed.

What if two Financial Statement Accounts apply? If two Financial Statement Accounts apply, then review the disclosure requirement to determine which perspective should apply. An example to help illustrate this point is the element "Amount Recognized in Net Periodic Benefit Cost and Other Comprehensive Income (Loss), before Tax," which is defined as: *Amount recognized in net periodic benefit cost and other comprehensive income*. There is a choice between an income statement account and an OCI account. In examining the disclosure requirement, it appears that the intent of the disclosure is for the amount of net periodic benefit cost recognized in the current period in the income statement and amounts to be recognized in future periods in the income statement, even though it is currently reported in OCI. Therefore, the applicable Financial Statement Account is an income statement account (net periodic benefit cost). In this case, the income statement perspective should be used to model the disclosure.

What if two Financial Statement Accounts apply and one relates to cash flows? If two Financial Statement Accounts apply and one relates to cash flows, then the cash flow perspective

should not be followed.

The following are three examples to help illustrate this point:

1. The element "Accelerated Share Repurchase Program, Adjustment" is defined as: *The amount needed to adjust previously recorded stockholders' equity balances to the actual aggregate amounts paid, whether in cash or other consideration, to acquire all of the shares purchased under an Accelerated Share Repurchase arrangement*. This could apply to cash flows or the balance sheet. In this case, the transaction does not solely relate to cash flows, therefore the balance sheet perspective should be used to model the disclosure.

2. The element "Unusual or Infrequent Item, or Both, Net of Insurance Proceeds" is defined as: *Amount after deduction of insurance proceeds of loss recognized in the income statement for an event or transaction that is unusual in nature or infrequent in occurrence, or both*. This has components of both cash flows and the income statement. In this case, the transaction does not solely relate to cash flows. Therefore, the income statement perspective should be used to model the disclosure.

3. The element "Short-duration Insurance Contracts, Cumulative Paid Claims and Allocated Claim Adjustment Expense, Net" is defined as: *Amount, after reinsurance, of paid claims and allocated claim adjustment expense used in claims development for short-duration insurance contracts. Excludes unallocated claim adjustment expense*. This could apply to cash flows as a cash outflow, but it would never appear on the cash flow statement as it represents the cumulative amount paid and not the reporting period durational cash flows. It could also apply to the liability for claims and claim adjustment expenses as it is a component of the liability along with the cumulative incurred claims. In this case, the transaction does not solely relate to cash flows, therefore the balance sheet perspective should be used to model the disclosure.

What if there is a choice between two or more balance sheet accounts? When there is such a choice, the element should be modeled based on the balance sheet account representing the journal entry side of the transaction with only one option. For example, there are multiple balance sheet accounts associated with the element "Capital Expenditure, Discontinued Operations," which is defined as: *Amount of capital expenditure attributable to discontinued operations*. The journal entry could be as follows:

debit Property, Plant & Equipment
credit Cash
-or-
debit Property, Plant & Equipment
credit Accounts Payable
-or-
debit Property, Plant & Equipment
credit Debt

When such choices exist, the element should be modeled based on the journal entry side with only one option. In this case, Property, Plant and Equipment would be the applicable balance sheet account to use in modeling the disclosure and "Capital Expenditure, Discontinued Operations" is modeled as a debit.

2.2 1-Way, 2-Way or Net Financial Statement Account

A **1-way Financial Statement Account** indicates there is only one choice for the Financial Statement Account disclosure. Examples include asset, liability, common or preferred stock, gain, income, revenue, expense, loss, cash inflow, cash outflow, etc.

A **2-way or Net Financial Statement Account** indicates there is a choice between two opposite Financial Statement Account disclosures. Examples include: (1) income or loss, (2) gain or loss, (3) asset or obligation, (4) cash inflow or cash outflow, (5) net of assets and liabilities, etc. If a Financial Statement Account is 2-way or Net, then the beneficial perspective would be modeled, unless the disclosure is typically expected to be an expense, cost or loss. Once this assumption is made, then the element should be modeled as a 1-way Financial Statement Account.

The following are three examples to help illustrate this term:

1. The disclosure for a gain or loss is considered a 2-way Financial Statement Account and assuming a beneficial perspective, then a gain would be used to model the balance type attribute.

2. The disclosure for income tax expense or benefit is considered a 2-way Financial Statement Account, which is typically expected to be an expense. Therefore, income tax expense would be used to model the balance type attribute.

3. The disclosure for net periodic benefit cost/credit is considered a Net Financial

Statement Account because it could either be net periodic benefit cost or net periodic benefit credit. This is a disclosure that is typically a cost, therefore net periodic benefit cost would be used to model the balance type attribute.

2.3 Single versus Multiple Concept Disclosure

A **Single Concept Disclosure** represents a disclosure of a Financial Statement Account, which would typically appear in a primary financial statement.

A **Multiple Concept Disclosure** represents a disclosure with a Financial Statement Account that is impacted by an Item (as defined in Section 2.4), which would typically not appear in a primary financial statement. Such a disclosure would be described as the "impact of an [Item] on a [Financial Statement Account]," where [Item] and [Financial Statement Account] are distinct. If the disclosure cannot be described in such a manner, it is considered a Single Concept Disclosure.

The examples used to illustrate the Financial Statement Account term in Section 2.1, specifically "Proceeds from (Repayments of) Notes Payable," "Other Comprehensive Income (Loss), Tax, Portion Attributable to Parent," and "Accounts Payable, Current" would be considered Single Concept Disclosures.

The following are two examples to help distinguish these terms:

1. The disclosure for the amount of amortization expense related to prior service cost/ credit in net periodic benefit cost is represented by the element "Defined Benefit Plan, Amortization of Prior Service Cost (Credit)" and is defined as: *The amount of the prior service cost or credit recognized in net periodic benefit cost relating to benefit changes attributable to plan participants' prior service pursuant to a plan amendment or a plan initiation*. This would be considered a Multiple Concept Disclosure. It involves an [Item] and a [Financial Statement Account] that are distinct, in this case "impact of an [Item=prior service cost/credit amortization] on a [Financial Statement Account=net periodic benefit cost/credit]."

2. The disclosure for the amount of net periodic benefit cost is represented by the element "Defined Benefit Plan, Net Periodic Benefit Cost" and is defined as: *The total amount of net periodic benefit cost for defined benefit plans for the period. Periodic benefit costs include the following components: service cost, interest cost, expected return on plan*

assets, gain (loss), prior service cost or credit, transition asset or obligation, and gain (loss) due to settlements or curtailments. This would be considered a Single Concept Disclosure. It represents the total amount of the defined benefit pension expense, which depending on materiality, could be presented in a primary financial statement. This disclosure cannot be described as "impact of an [Item] on a [Financial Statement Account]" because the [Financial Statement Account] in this case is net periodic benefit cost and there is no [Item].

2.4 Item

Item applies to a Multiple Concept Disclosure and can either be from an income or the balance sheet perspective. It is considered to be distinct from a Financial Statement Account, because it impacts the Financial Statement Account. If the Item is from an income perspective, it is considered an Income Item. If the Item is from a balance sheet perspective, it is considered a Balance Sheet Item.

The following are two examples to help illustrate this term:

1. The disclosure for the impairment of capitalized computer software costs is represented by the element "Capitalized Computer Software, Impairments" and is defined as: *Amount of impairment loss from capitalized computer software costs*. The [Item] is "impairment" and the [Financial Statement Account] is "capitalized computer software costs." This would be considered a Multiple Concept Disclosure because it can be described as the "impact of an [Item=impairment] on a [Financial Statement Account=capitalized computer software costs]," where [Item] and [Financial Statement Account] are distinct. The Item is considered to be an Income Item.

2. The disclosure for payments made to settle the accrual for environmental loss contingencies is represented by the element "Accrual for Environmental Loss Contingencies, Payments" and is defined as: *Amount of cash outflow to settle environmental loss contingencies*. The [Item] is "cash outflow or payments to settle the accrual" and the [Financial Statement Account] is "environmental loss contingencies accrual." This would be considered a Multiple Concept Disclosure because it can be described as the "impact of an [Item=payments to settle the accrual] on a [Financial Statement Account=accrual for environmental loss contingencies]," where [Item] and [Financial Statement Account] are distinct. The Item is considered to be a Balance Sheet Item.

3. Modeling Perspectives

In order to use the Guide to determine the appropriate balance type, there are four Financial Statement Accounts with different modeling perspectives to consider:

- cash flows
- other comprehensive income (OCI)
- income statement
- balance sheet

To model the balance type attribute, each disclosure should first be evaluated to determine which Financial Statement Account to apply and thus which modeling perspective to follow to determine the balance type.

3.1 Is the disclosure related to Cash Flows?

If the disclosure is related to cash flows, then follow the cash flow perspective outlined below to model the element.

Company Perspective		Plan Perspective		
Debit	**Credit**	**Debit**	**Credit**	
*Cash Inflows *Net Cash Flows *Working Capital Increase (Decrease) in Operating Liability	*Cash Outflows *Working Capital Increase (Decrease) in Operating Asset	*Cash Inflows to Plan	*Cash Outflows from Plan	If the disclosure impacts both the Plan Assets & Benefit Obligation in the same period, which indicates there is no impact from the Plan's perspective [Plan Assets - Benefit Obligation = 0], then model based on cash flow impact to the Company (as outlined under the Company perspective).
Note: For Noncash transactions, use the Balance Sheet perspective. Disclosures for Multiemployer Plans are from the Company's perspective.				

Is the disclosure from the perspective of either a Defined Benefit or Defined Contribution Plan? In modeling cash flow disclosures, a determination of whether the disclosure is from the Company's perspective or the Plan's perspective first needs to be made. Disclosures for Defined Benefit Pension Plans are modeled from the Plan's perspective, not the Company's perspective; therefore the cash flow impact should be assessed from the Plan's perspective. For consistency, Defined Contribution Plans should follow the modeling for Defined Benefit Pension Plans, where the Plan Assets are considered to be the individual accounts for each

participant. Because multiemployer plan disclosures are from the Company's perspective, disclosures for these elements are modeled from the Company's perspective. There is a distinction in how cash inflows and cash outflows are treated depending on what perspective is being considered.

If the disclosure is from the perspective of either a Defined Benefit or Defined Contribution Plan, then does the disclosure impact both the Benefit Obligation and Plan Assets in the same period? When the disclosure impacts both the benefit obligation and plan assets in the same period, this indicates there is no impact from the Plan's perspective. In other words, plan assets less the benefit obligation equals zero, which means there is no impact to the Plan. In this case, the Guide indicates that the disclosure should be modeled from the Company's perspective. For example, when benefits are paid to participants, this impacts both the plan assets and benefit obligation in the same period; therefore there is no impact from the Plan's perspective. Benefits paid would be considered a cash outflow of the Company; therefore it should be modeled with a credit balance type, which would be consistent with the modeling of the elements for expected future benefit payments, which is also required in Defined Benefit Pension Plan disclosures. Also, because benefits paid impacts both the benefit obligation and plan assets and is expected to be the same amount in any period, then this disclosure is represented by only one element in the Taxonomy.

If the disclosure only impacts the benefit obligation or the plan assets in the same period, then model cash inflows to the Plan with a debit balance type and cash outflows from the Plan with a credit balance type. For example, employer contributions to the Plan only impacts plan assets; therefore it should be modeled with a debit balance type because it represents cash inflows to the Plan.

If the disclosure is not from the perspective of either a Defined Benefit or Defined Contribution Plan, then model the disclosure from the Company's perspective. Cash inflows as well as cash inflows, net of cash outflows, or net cash flows, should be modeled with a debit balance type. Cash outflows should be modeled with a credit balance type. The working capital elements representing an increase (decrease) in operating liabilities should be modeled with a debit balance type. The working capital elements representing an increase (decrease) in operating assets should be modeled with a credit balance type. Noncash transactions should be modeled using the balance sheet perspective (outlined in Section 3.4).

3.2 Is the disclosure related to OCI?

If the Financial Statement Account in which the disclosure is recognized in the current period involves an OCI related account or whether the disclosure is being presented from the OCI perspective, then follow the OCI perspective outlined below to model the element.

Step 1: Determine Modeling Perspective				Step 2: Follow Credit/Debit Modeling Perspective as determined in Step 1.			
OCI Activity		Modeling Perspective		CREDIT Modeling Perspective			
1.	Impairment	1.	Debit		Parent or Total or no indication	Reclassification or Adjustment	Noncontrolling Interest
2.	Prior Service Cost/ Credit	2.	Debit (assume cost)	Before Tax	credit	debit	debit
3.	Total for Pension Plan or Pension Liability	3.	Debit	Tax	debit	credit	credit
				Net of Tax	credit	debit	debit
4.	Transition Asset/ Obligation	4.	Credit (assume asset)	DEBIT Modeling Perspective			
5.	Gain/Loss	5.	Credit (assume gain)		Parent or Total or no indication	Reclassification or Adjustment	Noncontrolling Interest
				Before Tax	debit	credit	credit
6.	Total Accumulated or Other Comprehensive Income/Loss	6.	Credit (assume income)	Tax	credit	debit	debit
				Net of Tax	debit	credit	credit

As noted in the OCI Taxonomy Implementation Guide, OCI elements are modeled from an income perspective *except* for pension and other postretirement benefit plan component elements, which are modeled from an expense perspective. The amount for defined benefit plans overall would be recognized in the income statement as an expense or reduction of expense.

Step 1: Determine whether a Debit or Credit modeling perspective should be followed based on the nature of the OCI activity. In other words, does the disclosure involve one of the following types of OCI activity: (1) Impairment; (2) Prior Service Cost/Credit; (3) Transition Asset/Obligation; (4) Total for Pension Plan or Pension Liability; (5) Gain/Loss transaction; or (6) is it reporting a Total for Accumulated or Other Comprehensive Income/Loss? The OCI activity determines whether a Debit or Credit modeling perspective should be followed in Step 2.

Step 2: Determine the type and tax status of the disclosure. In other words, is the disclosure related to (1) Noncontrolling Interest (NCI), (2) a Reclassification or Adjustment or (3) Parent or Total amount including NCI or the disclosure does not indicate the applicable entity? This will determine

which modeling scheme to follow as outlined in the table above in each column. Next determine whether the disclosure is a "Before Tax", "Tax" or "Net of Tax" disclosure. The intersection of the type of disclosure and tax status of the disclosure, will determine if the balance type of the element should be a debit or credit.

The following examples illustrate how to model a disclosure using the OCI perspective:

1. The disclosure of the actuarial gain/loss reclassification from accumulated OCI is represented by the element "Other Comprehensive Income (Loss), Reclassification Adjustment from AOCI, Pension and Other Postretirement Benefit Plans, for Net Gain (Loss), before Tax" and is defined as: *Amount before tax of reclassification adjustment from accumulated other comprehensive income (loss) for actuarial gain (loss) related to pension and other postretirement benefit plans*. Because the disclosure is being presented from the OCI perspective and it relates to gain/loss activity, Step 1 indicates that the Credit modeling perspective should be followed. From the definition, it is known that the disclosure is for a reclassification adjustment that is presented before tax. Therefore, the intersection of "Reclassification or Adjustment" and "Before Tax" under Credit modeling in Step 2 from the table above indicates the element should be modeled with a debit balance type.

2. The disclosure of the amount of an other than temporary impairment loss associated with available-for-sale debt securities recognized in other comprehensive loss is represented by the element "Other than Temporary Impairment Losses, Investments, Portion in Other Comprehensive Loss, Net of Tax, Portion Attributable to Parent, Available-for-sale Securities" and is defined as: *Amount after tax of other than temporary impairment (OTTI) on investment in available-for-sale debt security, recognized in other comprehensive loss, attributable to parent entity*. Because this disclosure relates to OCI and specifically involves impairment activity, Step 1 indicates that the Debit modeling perspective should be followed. From the definition, it is known that the disclosure is attributable to the parent and is presented after tax. Therefore, the intersection of "Parent" and "Net of Tax" under Debit modeling in Step 2 from the table above indicates the element should be modeled with a debit balance type.

3.3 Is the disclosure related to the Income Statement?

Once it is determined that the Financial Statement Account in which the disclosure is recognized or the perspective in which the disclosure is presented involves the income statement, then follow the income statement perspective outlined below to model the element.

Single Concept Disclosure			Multiple Concept Disclosure	
1-way		2-way or Net	Impact Item	How to Model:
Debit	**Credit**	Model assuming a beneficial perspective, unless disclosure is typically expected to be an expense, cost or loss. Once assumption is made, model balance type as a 1-way Single Concept Disclosure.	**Income Item (or from the income perspective)**	Model based on impact of [Item] on the [Financial Statement Account—Income Statement], assuming a beneficial perspective for the [Item], unless disclosure is typically expected to be an expense, cost or loss.
*Expense *Cost *Loss *Tax expense	*Revenue *Income *Gain *Tax benefit *Return *Profit		**Balance Sheet Item (or from the balance sheet perspective)**	Model based on impact of [Item] on the [Financial Statement Account—Income Statement] assuming an increase in [Item], unless disclosure indicates direction or impact of [Item] is typically a decrease.
			Either/Neither Income Item or Balance Sheet Item	Model based on nature of the [Financial Statement Account].

Is the disclosure a Multiple Concept Disclosure? When following the income statement perspective, the first question is whether the disclosure is considered a Multiple Concept Disclosure. In other words, can the disclosure be described as the "impact of an [Item] on the [Financial Statement Account—Income Statement]" where [Item] and [Financial Statement Account—Income Statement] are distinct?

Is the [Item] considered an [Income Item] or a [Balance Sheet Item]? If the disclosure is determined to be a Multiple Concept Disclosure, the next step is to determine whether the [Item] is an [Income Item] or a [Balance Sheet Item].

If the [Item] is an [Income Item], then the disclosure should be modeled based on the impact of the [Item] on the [Financial Statement Account—Income Statement] assuming a beneficial perspective for the [Item], unless the disclosure is typically expected to be an expense, cost or loss. For example, the disclosure for the amortization of actuarial gain/loss in net periodic benefit cost is represented by the element "Defined Benefit Plan, Amortization of Gains (Losses)" and is defined as: *The amount of gains or losses recognized in net periodic benefit cost*. This would be considered a Multiple Concept Disclosure involving an Income Item. The disclosure can be described as the

"impact of an [Item=amortization of gains/losses] on a [Financial Statement Account=net periodic benefit cost/credit]," where [Item] and [Financial Statement Account] are distinct. The Item represents the amortization of gains/losses, which is considered to be an Income Item. Assuming a beneficial perspective for the Item would indicate that the amortization of gains would be used to model the balance type attribute. Because the Financial Statement Account is considered a 2-way Financial Statement Account, the beneficial perspective would not be modeled because net periodic benefit cost is typically expected to be a cost, not a credit. Therefore, the disclosure to be modeled is the "impact of an [Item=amortization of gains] on a [Financial Statement Account=net periodic benefit cost]." This involves a decrease of net periodic benefit cost and a decrease of a cost is a credit. The element should be modeled with a credit balance type.

If the [Item] is a [Balance Sheet Item], then the disclosure should be modeled based on the impact of the [Item] on the [Financial Statement Account—Income Statement] assuming an increase in the [Item], unless the disclosure indicates the direction or impact of the [Item] is typically a decrease. For example, the disclosure for the effect of a plan amendment on net periodic benefit cost is represented by the element "Defined Benefit Plan, Effect of Plan Amendment on Net Periodic Benefit Cost" and is defined as: *The amount of increase or decrease in net periodic benefit cost related to the effects of a change in the substantive terms of an existing defined benefit plan or the initiation of a new plan. A plan amendment may increase or decrease benefits, including those attributed to years of service already rendered.* This would be considered a Multiple Concept Disclosure involving a Balance Sheet Item. The disclosure can be described as the "impact of an [Item=effect of a plan amendment which may increase or decrease benefits] on a [Financial Statement Account=net periodic benefit cost/credit]," where [Item] and [Financial Statement Account] are distinct. The Item represents the effect of a plan amendment which may increase or decrease benefits, which is considered to be a Balance Sheet Item. Assuming an increase in the Item would indicate that an increase in benefits from a plan amendment would be used in modeling the balance type attribute. Because the Financial Statement Account is considered a 2-way Financial Statement Account, the beneficial perspective would not be modeled because net periodic benefit cost is typically expected to be a cost, not a credit. Therefore, the disclosure to be modeled is the "impact of an [Item=the effect of a plan amendment which may increase benefits] on a [Financial Statement Account=net periodic benefit cost]." This involves an increase of net periodic benefit cost and an increase of a cost is a debit. The element should be modeled with a debit balance type.

What if there is no relationship between the [Financial Statement Account] and an [Item]? When there is no relationship between the [Financial Statement Account] and an [Item],

the element should be modeled based on the nature of the [Financial Statement Account]. For example, the stock-based compensation disclosure of the intrinsic value of options exercised is represented by the element "Share-based Compensation Arrangement by Share-based Payment Award, Options, Exercises in Period, Intrinsic Value" and is defined as: *Amount of accumulated difference between fair value of underlying shares on dates of exercise and exercise price on options exercised (or share units converted) into shares*. There is no relationship between the fair value and intrinsic value of options exercised and the amount of stock-based compensation expense recorded. Because the amount of stock-based compensation expense recorded is determined based on the fair value at the date of grant and other assumptions, the element should be modeled based on the nature of the [Financial Statement Account]. In examining the disclosure requirement, the guidance indicates the disclosure is from the income statement perspective, which in this case would be stock-based compensation expense. The element should be modeled with a debit balance type.

What if there is a choice between an [Income Item] and a [Balance Sheet Item]? When there is a choice between an [Income Item] and a [Balance Sheet Item], the element should be modeled based on the nature of the [Financial Statement Account].

The following are two examples to help illustrate this point:

1. Certain roll forward disclosures consist of "other," which may combine an [Income Item] and a [Balance Sheet Item]. For instance, the element "Property, Plant and Equipment, Transfers and Changes" is defined as: *Amount of increase (decrease) of physical assets used in the normal conduct of business and not intended for resale, resulting from reclassification, impairment, donation, or other change. Examples include, but are not limited to, land, buildings, machinery and equipment, office equipment, and furniture and fixtures*. This has both an [Income Item] and a [Balance Sheet Item]. This disclosure would be considered a Multiple Concept Disclosure, because it can be described as the impact of an [Item=reclassification, impairment or other change] on a [Financial Statement Account=Property, Plant and Equipment], but there is a choice of an Income Item for impairment or a Balance Sheet Item for reclassification or other change. When there is such a choice, the element should be modeled based on the nature of the [Financial Statement Account], which in this case would be Property, Plant and Equipment. Therefore, the element should be modeled with a debit balance type.

2. Another example of a Multiple Concept Disclosure where there is a choice between an [Income Item] or [Balance Sheet Item] is in the element "Costs Incurred, Acquisition of Oil and Gas Properties," which is defined as: *Cost incurred, including capitalized costs and costs charged to expense, in acquisition of oil and gas properties*. This disclosure can be described as the impact of an [Item=costs charged to expense or costs capitalized] on a [Financial Statement Account=Property, Plant and Equipment for Oil and Gas Properties]. Costs charged to expense suggest an Income Item, while costs capitalized suggest a Balance Sheet Item. In such a scenario, the element should be modeled based on the nature of the [Financial Statement Account], which in this case would be Property, Plant and Equipment for Oil and Gas Properties. Therefore, the element should be modeled with a debit balance type.

Is the disclosure a Single Concept Disclosure? If the disclosure is determined not to be a Multiple Concept Disclosure, then the disclosure is considered a Single Concept Disclosure. The next step is to determine whether the disclosure relates to a 1-way or 2-way or Net Financial Statement Account. Expense, cost, loss, and tax expense are considered a 1-way Financial Statement Account and should be modeled with a debit balance type. Revenue, income, gain, tax benefit, return, and profit are also considered a 1-way Financial Statement Account and should be modeled with a credit balance type. A 2-way or Net Financial Statement Account would be modeled assuming a beneficial perspective unless the disclosure is typically expected to be an expense, cost or loss.

3.4 Is the disclosure related to the Balance Sheet?

Once it is determined that the Financial Statement Account in which the disclosure is recognized or the perspective in which the disclosure is presented involves the balance sheet, then follow the balance sheet perspective outlined below to model the element.

Single Concept Disclosure			Multiple Concept Disclosure	
1-way		2-way or Net	Impact Item	How to Model:
Debit	Credit	Model assuming a beneficial perspective. For example: * Retained Earnings/ Deficit --> Credit (assume Earnings) * Net Assets/Liabilities --> Debit (assume Assets) * Funded Status --> Debit (assume Asset exceeds Obligation)	**Income Item (or from the income perspective)**	Model using the Income Statement perspective, unless disclosure relates to a roll forward and the disclosure requirement explicitly indicates the Balance Sheet perspective should be used.
*Asset *Contra Liability *Treasury Stock	*Liability *Contra Asset *Allowance or Reserve *Common or Preferred Stock		**Balance Sheet Item (or from the balance sheet perspective)**	Model based on impact of [Item] on the [Financial Statement Account—Balance Sheet] assuming an increase in [Item], unless disclosure indicates direction or [Item] is typically expected to be a decrease.
			Either/Neither Income Item or Balance Sheet Item	Model based on nature of the [Financial Statement Account].
			Choice of Balance Sheet Items	Model based on journal entry side with only one option.

Is the disclosure a Multiple Concept Disclosure? When following the balance sheet perspective, the first question is whether the disclosure is considered a Multiple Concept Disclosure. In other words, can the disclosure be described as the "impact of an [Item] on the [Financial Statement Account—Balance Sheet]" where [Item] and [Financial Statement Account—Balance Sheet] are distinct?

Is the [Item] an [Income Item] or a [Balance Sheet Item]? If the disclosure is determined to be a Multiple Concept Disclosure, the next step is to determine whether the [Item] is an [Income Item] or a [Balance Sheet Item].

If the [Item] is an [Income Item], then the disclosure should be modeled using the income statement perspective (outlined in Section 3.3), unless the disclosure relates to a roll forward and the disclosure requirement explicitly indicates the balance sheet perspective should be used.

The following are two examples to help illustrate this point:

1. The disclosure for the actuarial gain/loss in the benefit obligation roll forward is represented by the element "Defined Benefit Plan, Actuarial Gain (Loss)" and is defined as: *Amount of gain (loss) related to change in benefit obligation resulting from changes in actuarial*

assumptions, for example, but not limited to, interest, mortality, employee turnover, salary, and temporary deviation from the substantive plan. This would be considered a Multiple Concept Disclosure involving an Income Item. The disclosure can be described as the "impact of an [Item=actuarial gain/loss] on a [Financial Statement Account=benefit obligation]," where the [Item] and [Financial Statement Account] are distinct. The Item represents the actuarial gain/loss, which is considered an Income Item, and therefore should be modeled using the income statement perspective because the disclosure requirement does not explicitly indicate that the balance sheet perspective should be used. Therefore, assuming a beneficial perspective for an Income Item would indicate that an actuarial gain would be used in modeling the balance type attribute. This should follow the income statement perspective and be modeled as a credit balance type.

2. The second example involves the product warranty liability roll forward in which the guidance explicitly indicates the balance sheet perspective should be used in presenting the disclosure. Paragraph (c)(3) in Accounting Standards Codification 460-10-50-8 indicates a tabular reconciliation of the changes in the product warranty liability should include "*aggregate* changes in the liability for accruals related to product warranties issued" [emphasis added]. Because the aggregate changes are broader than just the amount expensed, this indicates the disclosure should be presented from the perspective of the liability, as an increase in the liability for warranties issued which may be a different number than the expense for warranties issued, which is modeled from the perspective of the income statement, a debit to expense. Because the values may differ, different elements have to be used. Thus, the disclosure for the warranties issued for the standard product warranty accrual would be considered a Multiple Concept Disclosure involving a Balance Sheet Item. The element "Standard Product Warranty Accrual, Increase for Warranties Issued" is defined as: *Amount of increase in the standard product warranty accrual resulting from warranties issued. Excludes extended product warranties*. The disclosure can be described as the "impact of an [Item=warranties issued] on a [Financial Statement Account=standard product warranty accrual]," where the [Item] and [Financial Statement Account] are distinct. Therefore, the disclosure to be modeled is the "impact of an [Item=warranties issued] on a [Financial Statement Account=standard product warranty accrual]," which involves an increase to an accrual or a credit. The element should be modeled with a credit balance type.

If the [Item] relates to a [Balance Sheet Item], then the disclosure should be modeled based on the

impact of the [Item] on the [Financial Statement Account—Balance Sheet] assuming an increase in [Item], unless the disclosure indicates direction or the [Item] is typically a decrease. For example, the disclosure for the amount transferred into and out of goodwill is represented by the element "Goodwill, Transfers" and is defined as: *Amount of transfers into (out of) an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized among segments*. This would be considered a Multiple Concept Disclosure involving a Balance Sheet Item. The disclosure can be described as the "impact of an [Item=transfers into/out of goodwill] on a [Financial Statement Account=goodwill]," where [Item] and [Financial Statement Account] are distinct. The Item represents transfers into and out of goodwill, which is considered a Balance Sheet Item. Assuming an increase in the Item would indicate that transfers into goodwill would be used in modeling the balance type attribute. This involves an increase of goodwill and an increase of an asset is a debit. The element should be modeled with a debit balance type.

What if there is no relationship between the [Financial Statement Account] and an [Item]? When there is no relationship between the [Financial Statement Account] and an [Item], the element should be modeled based on the nature of the [Financial Statement Account]. Refer to Section 3.3 for an example.

What if there is a choice between an [Income Item] and a [Balance Sheet Item]? When there is a choice between an [Income Item] and a [Balance Sheet Item], the element should be modeled based on the nature of the [Financial Statement Account]. Refer to Section 3.3 for an example.

What if there is a choice between two or more Balance Sheet Items? When there is such a choice, the element should be modeled based on the balance sheet account representing the journal entry side of the transaction with only one option, similar to having a choice of two or more balance sheet accounts as discussed in Section 2.1.

Is the disclosure a Single Concept Disclosure? If the disclosure is determined not to be a Multiple Concept Disclosure, then the disclosure is considered a Single Concept Disclosure. The next step is to determine whether the disclosure relates to a 1-way or 2-way or Net Financial Statement Account. Asset, contra liability and treasury stock are considered a 1-way Financial Statement Account and should be modeled with a debit balance type. Liability, contra asset, allowance or reserve, and common or preferred stock are considered a 1-way Financial Statement

Account and should be modeled with a credit balance type. Disclosures related to Accumulated Other Comprehensive Income/Loss should follow the OCI perspective. For a 2-way or Net Financial Statement Account, assume a beneficial perspective to model the element. For example, retained earnings/deficit, is modeled assuming retained earnings would be used in modeling the balance type attribute, which would have a credit balance type. Net assets is modeled assuming assets net of liabilities would be used in modeling the balance type attribute, which would have a debit balance type. The funded status of a benefit plan is modeled assuming assets exceed the obligation, therefore assets would be used to model the balance type attribute, which would have a debit balance type.

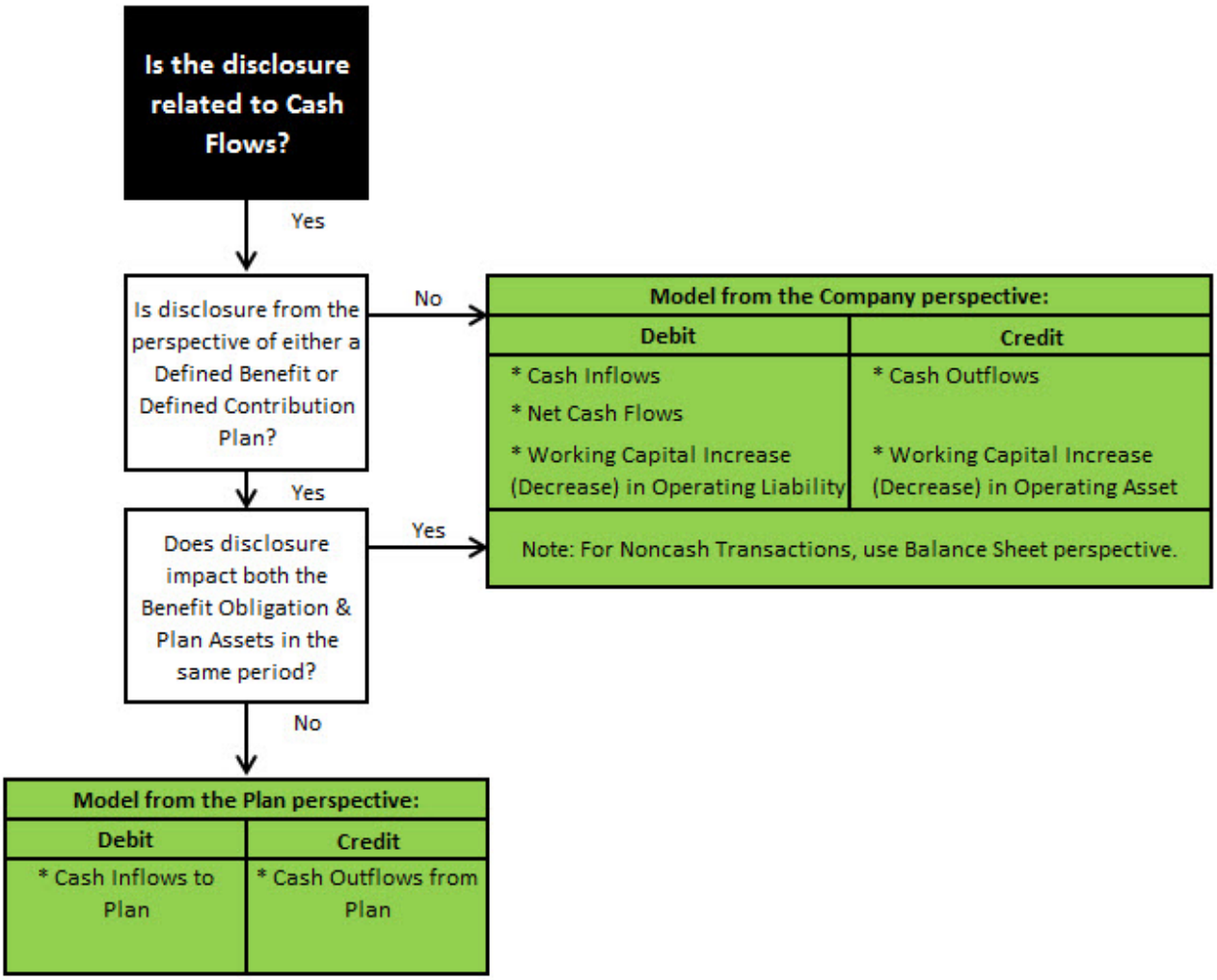
4. Tree (Click *here* to download the Balance Type Guide in a Tree format)

A tree format is available for using the Guide to determine the balance type of an element. As noted earlier, there are four Financial Statement Accounts contained in this Guide:

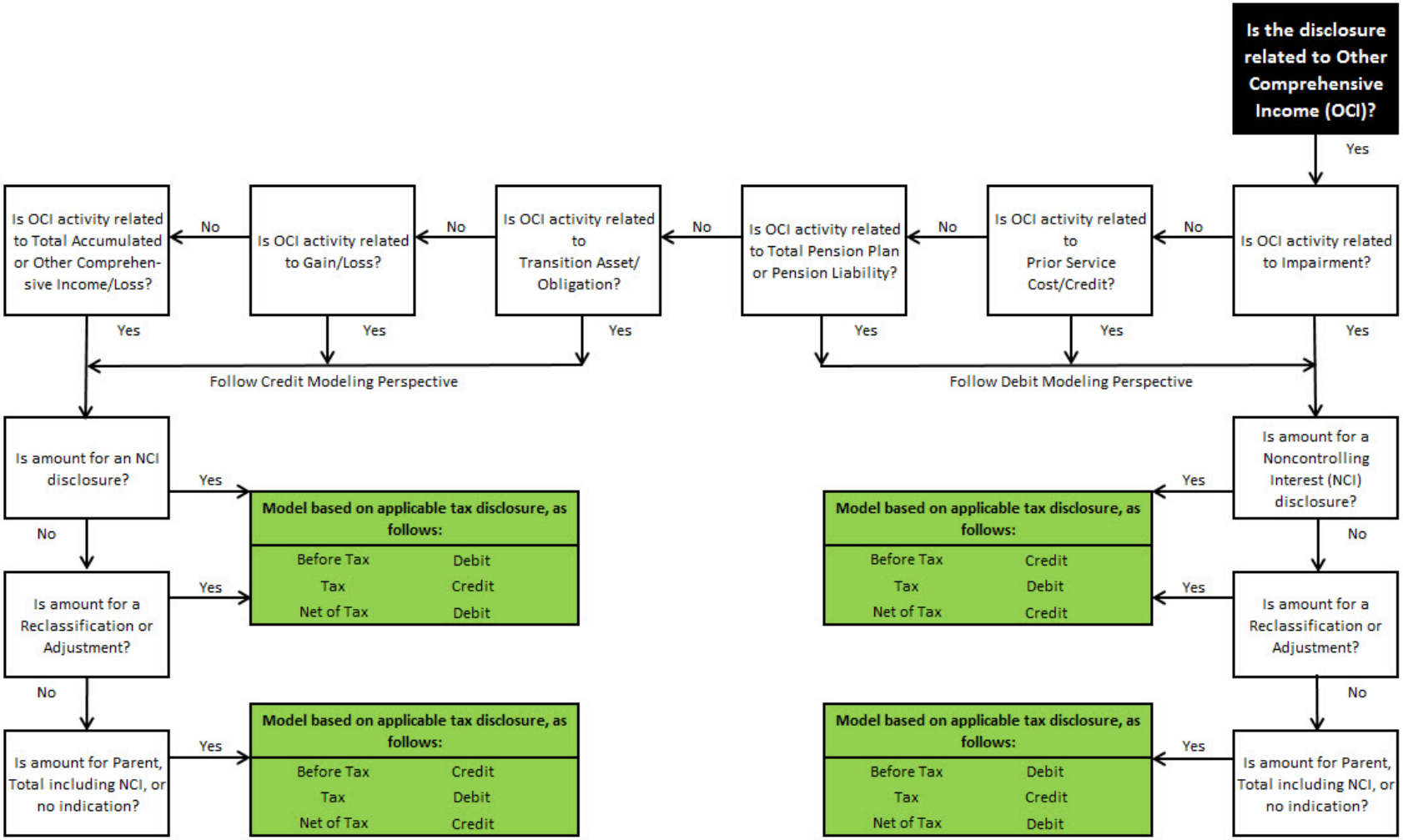
- cash flows
- other comprehensive income (OCI)
- income statement
- balance sheet

To model the balance type attribute, each disclosure should first be evaluated to determine which Financial Statement Account to apply and thus which modeling perspective to follow to determine the balance type.

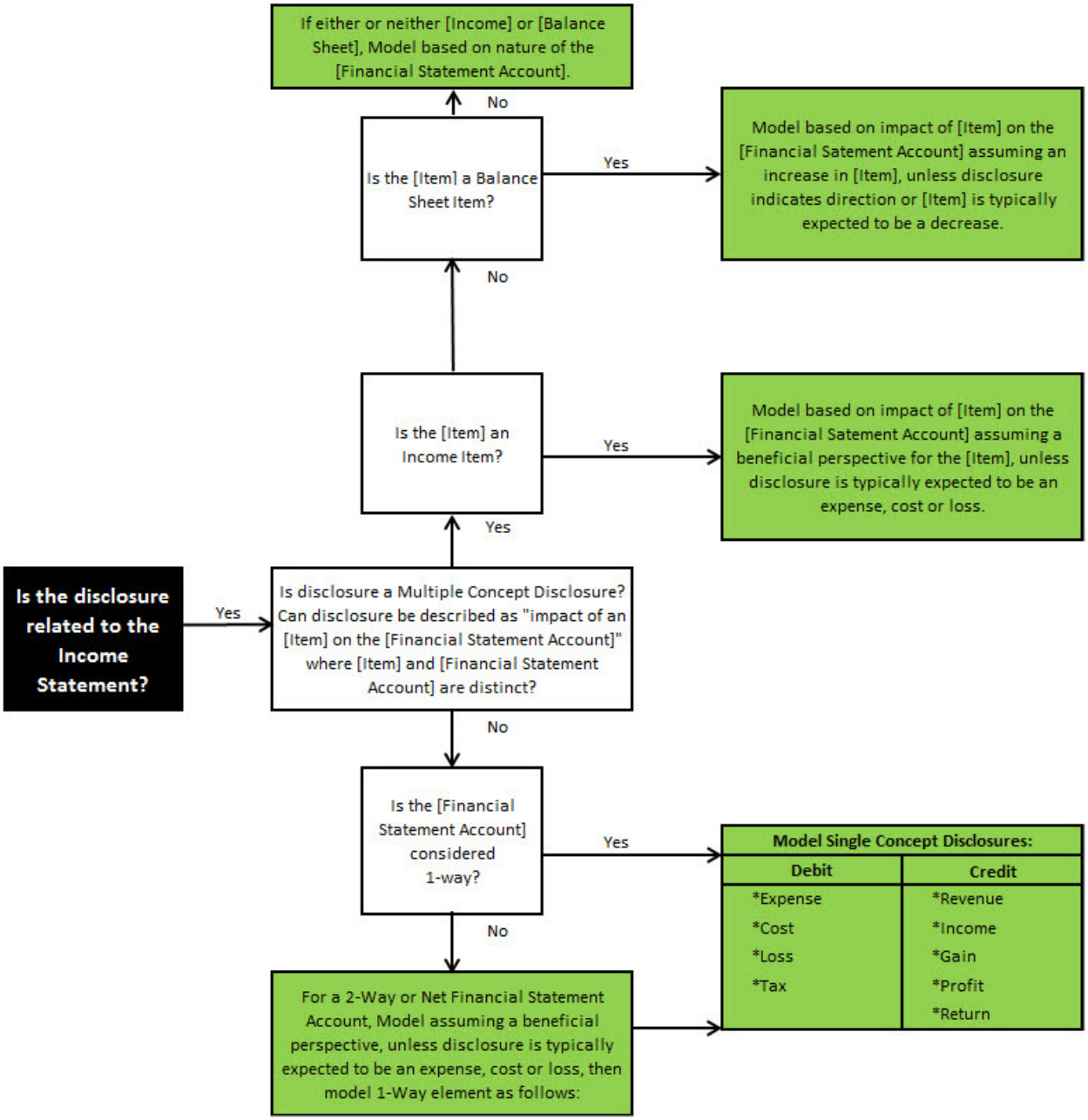
4.1 Cash Flows



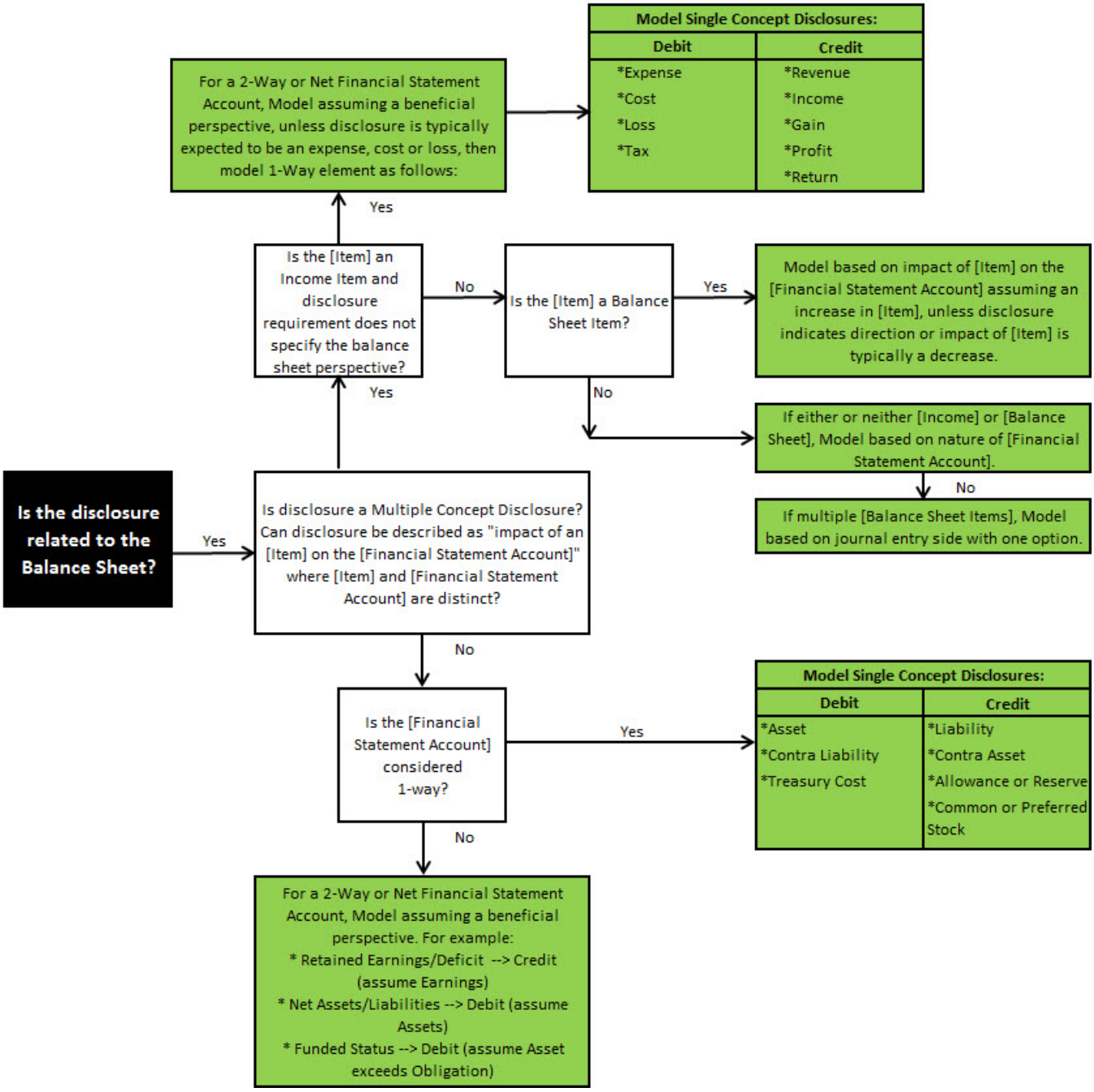
4.2 OCI


Is the disclosure related to Other Comprehensive Income (OCI)?
Yes
Is OCI activity related to Impairment?
No
Is OCI activity related to Prior Service Cost/Credit?
No
Is OCI activity related to Total Pension Plan or Pension Liability?
No
Is OCI activity related to Transition Asset/ Obligation?
No
Is OCI activity related to Gain/Loss?
No
Is OCI activity related to Total Accumulated or Other Comprehen-sive Income/Loss?
Yes
Yes
Yes
Yes
Yes
Yes
Follow Debit Modeling Perspective
Follow Credit Modeling Perspective
Is amount for a Noncontrolling Interest (NCI) disclosure?
Yes
Model based on applicable tax disclosure, as follows:
Before Tax Credit
Tax Debit
Net of Tax Credit
No
Is amount for a Reclassification or Adjustment?
Yes
Model based on applicable tax disclosure, as follows:
Before Tax Debit
Tax Credit
Net of Tax Debit
No
Is amount for Parent, Total including NCI, or no indication?
Yes
Model based on applicable tax disclosure, as follows:
Before Tax Credit
Tax Debit
Net of Tax Credit
Is amount for an NCI disclosure?
Yes
Model based on applicable tax disclosure, as follows:
Before Tax Debit
Tax Credit
Net of Tax Debit
No
Is amount for a Reclassification or Adjustment?
Yes
Model based on applicable tax disclosure, as follows:
Before Tax Debit
Tax Credit
Net of Tax Debit
No
Is amount for Parent, Total including NCI, or no indication?
Yes
Model based on applicable tax disclosure, as follows:
Before Tax Credit
Tax Debit
Net of Tax Credit

4.3 Income Statement



4.4 Balance Sheet



5. Electronic Form (Click *here* to download the Balance Type Guide as an Electronic Form)

An electronic form is also available for using the Guide to determine the balance type of an element. As noted earlier, there are four Financial Statement Accounts contained in this Guide:

- cash flows
- other comprehensive income (OCI)
- income statement
- balance sheet

To model the balance type attribute, each disclosure should first be evaluated to determine which Financial Statement Account to apply and thus which modeling perspective to follow to determine the balance type.

5.1 Cash Flows

FORM to determine BALANCE TYPE

Line #	Disclosure?	Responses
Line 1	Is the disclosure related to **Cash Flows**? If No, go to Line 2. *Note: If more than one Financial Statement Account applies, review disclosure requirement and choose perspective. If disclosure relates to cash flows and/or another Financial Statement Account, then answer No.*	Choose: Yes or No
Line 1a	Is the disclosure from the perspective of either a Defined Benefit or Defined Contribution? Note: Disclosures for Multiemployer Plans are from the Company's perspective. If Yes, go to Line 1c. If No, go to Line 1b.	Choose: Yes or No
Line 1b	Model based on the cash flow impact to the Company as follows: 1. Debit for cash inflows, net cash flows or working capital increase (decrease) in operating liability. 2. Credit for cash outflows or working capital increase (decrease) in operating asset. 3. For Non-cash transactions, go to the Balance Sheet perspective at Line 4. Model as ____. Enter Balance Type on Line 5.	Choose: Debit or Credit
Line 1c	For Benefit Plans, model based on the cash flow impact to the Plan as follows: 1. If the disclosure impacts both the Plan Assets & Benefit Obligation in the same period, which indicates there is no impact from the Plan's perspective [Plan Assets - Benefit Obligation = 0 or no impact], then model based on cash flow impact to the Company (as outlined in Line 1b). 2. Debit for cash inflows to the Plan. 3. Credit for cash outflows from the Plan. 4. For Non-cash transactions, go to Balance Sheet perspective at Line 4. Model as ____. Enter Balance Type on Line 5.	Choose: Debit or Credit

Line 5	Enter Balance Type Here:	
	Balance Type - from above	Choose: Debit or Credit

5.2 OCI

FORM to determine BALANCE TYPE			
Line #	Disclosure?	Responses	
Line 2	Is the disclosure related to Other Comprehensive Income? If No, go to Line 3. *Note: If more than one Financial Statement Account applies, review disclosure requirement and choose perspective.*	Choose: Yes or No	
Line 2a	What is the nature of the Other Comprehensive Income activity?	Choose: Impairment-Debit, Prior Service Cost/Credit-Debit, Pension Plan-Debit, Transition Asset/Obligation-Credit, Gain/Loss-Credit, Comp. Income/Loss-Credit	
Line 2b	Follow Debit or Credit Modeling Perspective?	Choose: Debit or Credit	
Line 2c	Is amount a Noncontrolling Interest (NCI) disclosure?	Choose: Yes or No	
Line 2d	Is amount a Reclassification or Adjustment disclosure?	Choose: Yes or No	
Line 2e	Is disclosure for Parent, Total including NCI or no indication of entity? If No Indication of entity, follow Modeling for Total.	Choose: Parent, Total including NCI, or No Indication	
Line 2f	Before Tax, Tax or Net of Tax? If No Indication, follow Before Tax.	Choose: Before Tax, Tax, or Net of Tax	
Line 2g	Model as ____. Enter Balance Type on Line 5.	Choose: Debit or Credit	
Line 5	Enter Balance Type Here:		
	Balance Type - from above	Choose: Debit or Credit	

5.3 Income Statement

FORM to determine BALANCE TYPE			
Line #	Disclosure?	Responses	
Line 3	Is the disclosure related to the **Income Statement**? If No, go to Line 4. *Note: If more than one Financial Statement Account applies, review disclosure requirement and choose perspective. If there is a choice between Income Statement and Balance Sheet or Income Statement and Cash Flows, model using the Income Statement perspective.*	Choose: Yes or No	
Line 3a	What is the [Financial Statement Account-Income Statement]?	Manual Input	
Line 3b	Is the [Financial Statement Account] considered 1-way, 2-way or net? If 1-way, go to Line 3d. If 2-way or net, go to Next Line.	Choose: 1-way, 2-way or Net	
Line 3c	If 2-way or net, assume or typically ____. Assume a beneficial perspective, unless disclosure is typically expected to be an expense, cost or loss.	Manual Input	
Line 3d	Can disclosure be described as "impact of an [Item] on the [Financial Statement Account-Income Statement]" where the [Item] & [Financial Statement Account-Income Statement] are distinct? Note: If there is no correlation between [Item] and [Financial Statement Account], then model based on nature of the [Financial Statement Account]. If Yes, Go to Next Line (Model as Multiple Concept Disclosure). If No, Go to Line 3m (Model as Single Concept Disclosure).	Choose: Yes or No	
Line 3e	Describe disclosure from Line 3d. After describing, assess whether Line 3d is still Yes. If not, Go to Line 3m.	Manual Input	
Line 3f	What is the [Item]?	Manual Input	
Line 3g	Is the [Item] an [Income Item] or [Balance Sheet Item]? If [Item] could be either [Income] or [Balance Sheet], then model based on the nature of the [Financial Statement Account], Go to Line 3m.	Choose: Income or Balance Sheet	
Line 3h	For an [Income Item], assume a beneficial perspective for the [Item], unless disclosure is typically expected to be an expense, cost or loss. For a [Balance Sheet Item], assume an increase in the [Item], unless disclosure indicates direction or is typically expected to be a decrease. If Either or No Indication, make determination based on nature of the [Financial Statement Account].	Manual Input	
Line 3i	Describe disclosure to be modeled.	Manual Input	
Line 3j	Is that an increase or decrease of the [Financial Statement Account-Income Statement]?	Choose: Increase or Decrease	
Line 3k	Summarize transaction as follows: "[Line 3j] of [Financial Statement Account-Income Statement]"	Manual Input	
Line 3l	Is that a Debit or Credit?	Choose: Debit or Credit	
Line 3m	Model as ____. Enter Balance Type on Line 5.	Choose: Debit or Credit	
Line 5	Enter Balance Type Here:		
	Balance Type - from above	Choose: Debit or Credit	

5.4 Balance Sheet

FORM to determine BALANCE TYPE			
Line #	Disclosure?	Responses	
Line 4	Is the disclosure related to the Balance Sheet? *Note: If more than one Financial Statement Account applies, review disclosure requirement and choose perspective.*	Choose: Yes or No	
Line 4a	What is the [Financial Statement Account-Balance Sheet]?	Manual Input	
Line 4b	Can disclosure be described as "impact of [Item] on the [Financial Statement Account-Balance Sheet]" where [Item] & [Financial Statement Account-Balance Sheet] are distinct? Note: If there is no correlation between [Item] and [Financial Statement Account], Model based on nature of the [Financial Statement Account]. If Yes, Go to Next Line (Model as Multiple Concept Disclosure). If No, Go to Line 4k (Model as Single Concept Disclosure).	Choose: Yes or No	
Line 4c	Describe disclosure from Line 4b. After describing, assess whether Line 4b is still Yes. If not, Go to Line 4k (Model as Single Concept Disclosure).	Manual Input	
Line 4d	What is the [Item]?	Manual Input	
Line 4e	Is the [Item] an [Income Item] or [Balance Sheet Item]? If an [Income Item], Model balance type using the Income Statement perspective, unless disclosure relates to a roll forward and the disclosure requirement explicitly indicates the Balance Sheet perspective. Go to Next Line. If a [Balance Sheet Item], Go to Next Line. If [Item] could be either [Income] or [Balance Sheet], Model balance type based on nature of the [Financial Statement Account], Go to Line 4k. If there is a choice for [Balance Sheet Item], which can either increase or decrease the balance sheet, Model based on journal entry side with one option, Go to Line 4k.	Choose: Income or Balance Sheet	
Line 4f	For a [Balance Sheet Item], assume an increase in [Item], unless disclosure indicates direction or impact of [Item] is typically a decrease.	Manual Input	
Line 4g	Describe disclosure to be modeled.	Manual Input	
Line 4h	Is that an increase or decrease of the [Financial Statement Account-Balance Sheet]?	Choose: Increase or Decrease	
Line 4i	Summarize transaction as follows: "[Line 4h] of [Financial Statement Account-Balance Sheet Account]"	Manual Input	
Line 4j	Is that a Debit or Credit?	Choose: Debit or Credit	
Line 4k	Model as ____. Enter Balance Type on Line 5.	Choose: Debit or Credit	

Line 5	Enter Balance Type Here:		
	Balance Type - from above	Choose: Debit or Credit	