

# Data Quality Committee: Round 5 and 6 Validation Rules

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# Overview

*US GAAP Round 5 and 6  
Rules*

*IFRS Round 6 Rules*

# US GAAP - Round 5 and 6 Rules

# Summary of US GAAP Round 5 and 6 rules

Rule Number	Name	Description
43	Incorrect Calculations Weights in Operating Cash Flows	The rule identifies the balance type of the elements in the calculation linkbase that are children of the operating cash flow elements in the US GAAP taxonomy and determines whether their effective calculation weights are accurate.
44	Accrual Items used in Investing/ Financing Cash flow Reconciliation	This rule identifies whether accrual based elements that are intended to be used on the income statement or the statement of stockholder's equity have been used inappropriately on the cash flow statement
45	Movement of Concepts between Calculation Trees	This rule identifies where investing, financing or operating items have been mischaracterized in the calculation linkbase for the cash flow statement. This rule identifies where filers may have used the incorrect element in the cash flow statement
46	Inappropriate Calculation Descendant	This rule tests whether certain elements in the calculation linkbase are descendants of a parent concept
47	Calculation Descendants with No Balance Type	This rule tests whether the descendants of both the elements NetCashProvidedByUsedInOperatingActivitiesContinuingOperations and NetCashProvidedByUsedInOperatingActivities in the companies extension taxonomy have no value defined for the balance attribute
48	Required Calculation Parent Element in the Cash Flow Statement	This rule identifies filings where at least one element in a defined list does not appear as a root node in any cash flow calculation trees defined by the filer. The rule identifies a cash flow calculation tree (extended link role) by assuming the same role is used for the presentation tree

# Summary of US GAAP Round 5 and 6 rules cont

Rule Number	Name	Description
49	Single Calculation Tree from Change in Cash Flows	This rule identifies when a single calculation tree has not been used to represent the increase or decrease in cash for the period
51	Before Tax Items	This rule evaluates whether the following elements are not represented as after tax items: <ul style="list-style-type: none"> <li>- IncomeLossIncludingPortionAttributableToNoncontrollingInterest</li> <li>- IncomeLossAttributableToParent</li> <li>- IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsNoncontrollingInterest</li> </ul>
52	Member Values	This rule identifies facts with a given axis and member that cannot be tagged with a value irrespective of the line item used
53	Excluded Members from an Axis	The FASB has defined certain members that cannot be included on an axis. This rule checks that a defined list of member axis combinations do not appear in the company's extension taxonomy
54	Excluded Dimensions from a Table	The FASB has defined certain dimensions that cannot be included with a table. This rule checks that a defined list of table axis combinations do not appear in the company's extension taxonomy
55	Required Member on An Axis	The FASB has defined certain situations where a member or multiple members must used with an axis. This rule defines the axis and the member or members that must be present
57	Cash Flow Opening and Closing Balances	This rule identifies filings where at least one element in a list defined by the rule does not appear in the cash flow presentation trees defined by the filer for the cash flow statement
60	Element Dependence for Specific Elements	This rule identifies those instances where one element value is reported and no corresponding value is reported in the same period in the default dimension

# Summary of US GAAP Round 5 and 6 rules cont

Rule Number	Name	Description
61	Cash Flow Continuing Operations Elements not Used	This rule is intended to identify cases where a company's cash flow includes discontinued operations as a summation-child to the periodic change in cash and cash equivalents (summation-parent), but the calculation tree does not include continuing operations as a summation-child.
62	No Fact Value for Change in Cash	This rule identifies those cases where the filer has reported a cash flow statement but has not reported a value for the change in cash. This rule detects where an incorrect element, an inappropriate extension, an inappropriate dimension or a missing value has been used to represent the change in cash for the period
65	Interest Paid Net (Operating) Not on Cash Flow	This rule identifies those cases where the filer has included the element InterestPaid as a presentation linkbase descendant of the element SupplementalCashFlowInformationAbstract but has not included the element InterestPaidNet as a presentation linkbase descendant of the element SupplementalCashFlowInformationAbstract

# US GAAP - Common Mistakes

# US GAAP Round 5 and 6 - Top 4 Highest Firing Rules

- Rule 48 - Required Calculation Parent Element in the Cash Flow Statement
- Rule 52 - Member Values
- Rule 60 - Element Dependent for Specific Elements
- Rule 65 - Interest Paid Net (Operating) Not on Cash Flow

# Rule 48 - Required Calculation Parent Element in the Cash Flow Statement

This rule tests that one of the following elements appears as the ultimate 'Parent' or 'Root' calculation in the Statement of Cash Flows.

1. CashPeriodIncreaseDecreaseExcludingExchangeRateEffect
2. CashPeriodIncreaseDecrease
3. CashAndCashEquivalentsPeriodIncreaseDecreaseExcludingExchangeRateEffect
4. CashAndCashEquivalentsPeriodIncreaseDecrease
5. CashCashEquivalentsRestrictedCashAndRestrictedCashEquivalentsPeriodIncreaseDecreaseExcludingExchangeRateEffect\*
6. CashCashEquivalentsRestrictedCashAndRestrictedCashEquivalentsPeriodIncreaseDecreaseIncludingExchangeRateEffect\*
7. NetCashProvidedByUsedInContinuingOperations\* *(Only if the element NetCashProvidedByUsedInDiscontinuedOperations is also included as a root element)*

\*Certain changes coming specific to the 2019 US GAAP taxonomy and the use of Restricted cash elements.

# Rule 48 - Required Calculation Parent Element in the Cash Flow Statement

Scenario 1: One of the predefined parent elements is disclosed, but no calculation relationship defined.

Cash Flow Disclosure	Element
Net cash used in operating activities	Net Cash Provided by (Used in) Operating Activities
Net cash provided by (used in) by investing activities	Net Cash Provided by (Used in) Investing Activities
Net cash provided by financing activities	Net Cash Provided by (Used in) Financing Activities
Net (decrease) increase in cash and cash equivalent	Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Period Increase (Decrease), Excluding Exchange Rate Effect

*Calculation relationship needed on Parent*

# Rule 48 - Required Calculation Parent Element in the Cash Flow Statement

Scenario 1: One of the predefined parent elements is disclosed, but no calculation relationship defined

Cash Flow Disclosure	Element
Net cash used in operating activities	+ Net Cash Provided by (Used in) Operating Activities
Net cash provided by (used in) by investing activities	+ Net Cash Provided by (Used in) Investing Activities
Net cash provided by financing activities	+ Net Cash Provided by (Used in) Financing Activities
Net (decrease) increase in cash and cash equivalent	= Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Period Increase (Decrease), Excluding Exchange Rate Effect

*Define calculation relationship*

# Rule 48 - Required Calculation Parent Element in the Cash Flow Statement

Scenario 2: Calculation is defined with "Net Cash Provided by (Used in) Continuing Operations" element with no Discontinued Operations presented

Cash Flow Disclosure	Element
Net cash used in operating activities	+ Net Cash Provided by (Used in) Operating Activities
Net cash provided by (used in) by investing activities	+ Net Cash Provided by (Used in) Investing Activities
Net cash provided by financing activities	+ Net Cash Provided by (Used in) Financing Activities
Net (decrease) increase in cash and cash equivalent	= Net Cash Provided by (Used in) <b>Continuing Operations</b> X

# Rule 48 - Required Calculation Parent Element in the Cash Flow Statement

Scenario 2: Calculation is defined with "Net Cash Provided by (Used in) Continuing Operations" element with no Discontinued Operations presented

Cash Flow Disclosure	Element
Net cash used in operating activities	Net Cash Provided by (Used in) Operating Activities
Net cash provided by (Used in) investing activities	Net Cash Provided by (Used in) Investing Activities
Net cash provided by (Used in) financing activities	+ Net Cash Provided by (Used in) Financing Activities
Net (decrease) increase in cash and cash equivalents	<b>= Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Period Increase (Decrease), Excluding Exchange Rate Effect</b> ✓

**Replace element if no discontinued operations presented**

## Rule 52 - Member Values

- The FASB has defined certain members, when used on a given axis, that cannot be tagged with a value
- This rule identifies facts with a given axis and member that cannot be tagged with a value irrespective of the line item used
- The “Domestic Plan [Member]” element is not intended to be used in the instance document, instead the specific country from the SEC’s Country Taxonomy is intended to tag the information (for example, country:US, country:CA, country:GB)

# Rule 52 - Member Values

## Application of "Domestic Plan [Member]"

	Retirement Plan Sponsor Location [Axis]	
	Pension Benefits	
	Domestic	Foreign
<b>Change in benefit obligation:</b>		
Beginning balance	\$ 13,000	\$ 11,000
Service cost	200	230
Interest cost	600	740
Employee contributions	300	450
Plan amendments	(60)	(50)
Changes in actuarial assumptions and other	1,200	900
Foreign exchange impact	(3)	(15)
Settlement	(44)	(2)
Special termination benefits	20	88
Benefits paid	(560)	(450)
Ending balance	\$ 14,653	\$ 12,891

Domestic Plan [Member]    Foreign Plan [Member]

# Rule 52 - Member Values

## Application of "Domestic Plan [Member]"

	Retirement Plan Sponsor Location [Axis]	
	Pension Benefits	
	Domestic	Foreign
<b>Change in benefit obligation:</b>		
Beginning balance	\$ 13,000	\$ 11,000
Service cost	200	230
Interest cost	600	740
Employee contributions	300	450
Plan amendments	(60)	(50)
Changes in actuarial assumptions and other	1,200	900
Foreign exchange impact	(3)	(15)
Settlement	(44)	(2)
Special termination benefits	20	88
Benefits paid	(560)	(450)
Ending balance	\$ 14,753	\$ 12,891

X
Domestic Plan [Member]
Foreign Plan [Member]

# Rule 52 - Member Values

## Application of "Domestic Plan [Member]"

	Retirement Plan Sponsor Location [Axis]	
	Domestic	Foreign
<b>Change in benefit obligation:</b>		
Beginning balance	\$ 13,000	\$ 11,000
Service cost	200	-
Interest cost		
Employee contributions		
Plan amendments		
Changes in act...	4,200	900
	(3)	(15)
	(44)	(2)
\$ ... on benefits	20	88
Benefits paid	(560)	(450)
<b>Ending balance</b>	<b>\$ 14,653</b>	<b>\$ 12,891</b>

UNITED STATES Foreign Plan  
 [Member] [Member]

Replace "Domestic [Member]" with actual location (in this case "United States [Member]")

# Rule 60 - Element Dependence for Specific Elements

- If a given element is used in a filing, then a corresponding element(s) should also be present in the instance
- This rule identifies where a required disclosure is defined in US-GAAP and it is more appropriate to report the broader element that is a required disclosure rather than the more specific element
- Error will result if the Continuing Operations elements are used, but Discontinued Operations or total activity is not also reported

Rule element ID	Reported Element	Dependent Element(s)	General (broader) Element
DQC.US.0060.7495	NetCashProvidedByUsedInFinancingActivitiesContinuingOperations	CashProvidedByUsedInFinancingActivitiesDiscontinuedOperations AND NetCashProvidedByUsedInFinancingActivities	NetCashProvidedByUsedInFinancingActivities
DQC.US.0060.7496	NetCashProvidedByUsedInInvestingActivitiesContinuingOperations	CashProvidedByUsedInInvestingActivitiesDiscontinuedOperations AND NetCashProvidedByUsedInInvestingActivities	NetCashProvidedByUsedInInvestingActivities
DQC.US.0060.7497	NetCashProvidedByUsedInOperatingActivitiesContinuingOperations	CashProvidedByUsedInOperatingActivitiesDiscontinuedOperations AND NetCashProvidedByUsedInOperatingActivities	NetCashProvidedByUsedInOperatingActivities

# Rule 60 - Element Dependence for Specific Elements

Discontinued Operations are not disclosed

Cash Flow Disclosure	Element
Net cash used in operating activities	Net Cash Provided by (Used in) Operating Activities, <b>Continuing Operations</b>
Net cash provided by (used in) by investing activities	Net Cash Provided by (Used in) Investing Activities, <b>Continuing Operations</b>
Net cash provided by financing activities	Net Cash Provided by (Used in) Financing Activities, <b>Continuing Operations</b>



# Rule 60 - Element Dependence for Specific Elements

Discontinued Operations are not disclosed

Cash Flow Disclosure	Element
Net cash used in operating activities	Net Cash Provided by (Used in) Operating Activities
Net cash provided by (used in) investing activities	Net Cash Provided by (Used in) Investing Activities
Net cash provided by financing activities	Net Cash Provided by (Used in) Financing Activities



*Replace with broader (general) elements*

# Rule 65 - Interest Paid Net (Operating) Not on Cash Flow

- This rule identifies those cases where the filer has included the element InterestPaid as a presentation linkbase descendant of the element SupplementalCashFlowInformationAbstract but has not included the element InterestPaidNet and the element InterestPaidCapitalized as a presentation linkbase descendant of the element SupplementalCashFlowInformationAbstract
- The FASB codification requires that filers who report their cash flows using the indirect method publish their interest paid during the period net of any interest paid for capital expenses (ASC 230-10-50-2)
- This rule helps to ensure that companies use the element InterestPaidNet instead of the element InterestPaid

# Rule 65 - Interest Paid Net (Operating) Not on Cash Flow

Supplemental disclosure is interest paid net of capitalized interest

## Supplemental Disclosure of Cash Flow Information:

Interest Paid

Interest Paid, Including Capitalized Interest, Operating and Investing Activities\*

Net Income taxes paid

Paid-in-kind dividends

\* Element ID remains InterestPaid  
Standard label changed from "Interest Paid" in the 2019 US GAAP Taxonomy

# Rule 65 - Interest Paid Net (Operating) Not on Cash Flow

Supplemental disclosure is interest paid net of capitalized interest

- Supplemental Disclosure of Cash Flow
- Interest Paid
- Net Income taxes paid
- Paid-in-kind dividends

Calculations	
152200 - Statement - Statement of Cash Flows	
<b>Interest Paid, Including Capitalized Interest, Operating and Investing Activities</b>	=
+ Interest Paid, Excluding Capitalized Interest, Operating Activities	
+ Interest Paid, Capitalized, Investing Activities	

InterestPaid  
**InterestPaidNet\***  
InterestPaidCapitalized

\* Required disclosure

# Rule 65 - Interest Paid Net (Operating) Not on Cash Flow

Supplemental disclosure is interest paid net of capitalized interest

## Supplemental Disclosure of Cash Flow Information:

Interest Paid

Interest Paid, Excluding Capitalized Interest, Operating Activities\*

Net Income taxes paid

Paid-in-kind dividends

\* Element ID remains InterestPaidNet

Standard label changed from "Interest Paid Net" in the 2019 US GAAP Taxonomy

*Replace "Interest Paid, Including Capitalized Interest, Operating and Investing Activities" with "Interest Paid, Excluding Capitalized Interest, Operating Activities"*

# IFRS - Round 6 Rules

# Summary of IFRS Round 6 rules

Rule Number	Name	Description
6	DEI and Block Tag Date Contexts	This rule tests that the dates used for certain Document and Entity Information, accounting policy, text block and table text block elements are consistent with the fiscal period focus of the filing (e.g. Q1, Q2, Q3 or FY).
8	Reversed Calculations	This rule evaluates whether a calculation relationship in the company's extension is a reversal of the calculation defined in the base taxonomy used for the filing. The rule checks if the element representing the calculation total and the element representing the component are a reversal of those elements defined in the taxonomy.
33	Document Period End Date Context	This rule tests that the ending date used with Document and Entity Information elements (except the elements <b>Entity Common Stock, Shares Outstanding</b> and <b>Entity Public Float</b> ) matches the ending context date for the value of the Document and Entity Information element <b>Document Period End Date</b> .
36	Document Period End Date Context/Fact Value Check	This rule tests that the ending context date for the Document Period End Date is not different by more than 3 days from the value of that element.
41	Axis with a Default Member that Differs from the Base Taxonomy	This rule evaluates whether the dimension default is associated with a given axis in the company's extension taxonomy. Companies should not change the default member defined in the base taxonomy for a given axis in their extension taxonomy.

# IFRS - Common Mistakes

## Rule 8 - Reversed Calculation

- Comparing calculations against the IFRS calculations
  - Parents should not contribute to their children

## Inverse Relationships

	For the year ended	
	December 31, 2018	December 31, 2017
Interest on debt	(900)	(700)
Capitalized interest	30	20
Total interest expense	(870)	(680)

# Rule 8 - Reversed Calculation

## Inverse Relationships

	For the year ended		
	December 31, 2018	December 31, 2017	
Interest on debt	(900)	(700)	+ Interest Costs Incurred
Capitalized interest	30	20	- Interest Costs Capitalised
Total interest expense	(870)	(680)	= Interest Expense

# Rule 8 - Reversed Calculation

## Inverse Relationships

### Calculations

[836200] Notes - Borrowing costs

Interest costs incurred = **Parent**

+ Interest costs capitalised

+ Interest expense

	For the year December 31, 2018		
Interest on debt	(900)	(900)	+ Interest Costs Incurred <b>Parent</b>
Capitalized interest	30	30	- Interest Costs Capitalised
Total interest expense	(870)	(870)	= Interest Expense

# Rule 8 - Reversed Calculation

## Inverse Relationships

### Calculations

[836200] Notes - Borrowing costs

**Interest costs incurred = Parent**

+ Interest costs capitalised

+ Interest expense

	For the year December 31, 2018	
Interest on debt	(900)	 = Interest Costs Incurred <b>Parent</b> + Interest Costs Capitalised + Interest Expense
Capitalized interest	30	
Total interest expense	(870)	

*Update calculation relationship and build on "Interest Costs Incurred"*

## Rule 41 - Axis with a Default Member that Differs from the Base Taxonomy

- Evaluates whether the dimension default is associated with a given axis in the company's extension taxonomy
- Companies should not change the default member defined in the base taxonomy for a given axis in their extension taxonomy

# Rule 41 - Axis with a Default Member that Differs from the Base Taxonomy

Incorrect

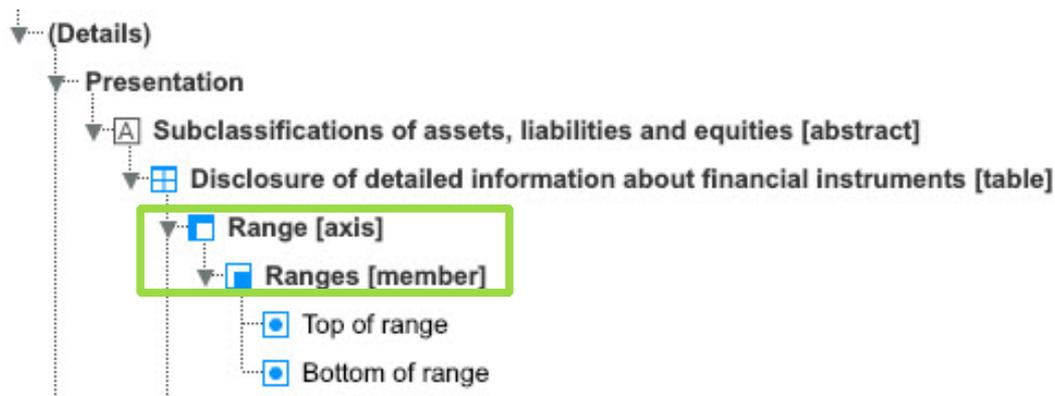
Range [axis]  
Range [domain]\*

\*Extension



Correct

Range [axis]  
Ranges [member]



# Rule 41 - Axis with a Default Member that Differs from the Base Taxonomy

Incorrect

Subsidiaries [axis]  
Subsidiaries [member]



Correct

Subsidiaries [axis]  
Entity's total for subsidiaries [member]



- Disclosure of transactions between related parties [text block]
- ▼ A Disclosure of transactions between related parties [abstract]
- ▼ Disclosure of transactions between related parties [table]
- ▼ Categories of related parties [axis]
- ▼ Entity's total for related parties [member]
- ▼ Related parties [member]
- Parent [member]
- Entities with joint control or significant influence over entity [member]
- Subsidiaries [member]

- ▼ Disclosure of subsidiaries [table]
- ▼ Subsidiaries [axis]
- ▼ Entity's total for subsidiaries [member]

# Rule 41 - Axis with a Default Member that Differs from the Base Taxonomy



*Update default domain to the proper domain within the XBRL Default Axis section within Wdesk*

# Questions?

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