

**Comptroller's Directive No. 1-09**  
**Attachment 26**  
**GASBS No. 33 Federal Fund Analysis – Non-reimbursement Grants**

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**Purpose** This attachment is to analyze Federal fund nonexchange transactions for **non-reimbursement based grants** to determine the proper reporting in accordance with **GASBS No. 33** and **GASBS No. 36**. (Both statements will be referenced as **GASBS No. 33**.)

This attachment is only for **federal REVENUE**. Federal expenditures are analyzed on **Attachment 16 - GASBS No. 33 Expenditure and Revenue Analysis**.

This attachment is similar to prior year's Attachment 26.

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**Applicable agencies** **All agencies** with Federal Fund activity that is **not included** in agency prepared financial statement templates.

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**Due date** **September 17, 2009**

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**Certification** The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab, and that you have read and understand the instructions for completing the attachment.

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**Submission requirements**

Contact DOA if the agency has any problems with the spreadsheets.

**After downloading the files, rename the spreadsheet file using the agency number followed by Att26.** For example, agency 151 should rename its Attachment 26.xls file as 151Att26.xls.

**Submit the Excel spreadsheets electronically to [finrept-agyatt@doa.virginia.gov](mailto:finrept-agyatt@doa.virginia.gov).**

**Copy APA via e-mail to [APAFinRept@apa.virginia.gov](mailto:APAFinRept@apa.virginia.gov).**

**Do not submit paper copies of the Excel attachment.**

For your convenience, the contact information in all but the first tab in each attachment / template has been unlocked and shaded yellow. The contact information continues to be auto filled with the information from the first tab but the cells remain unlocked to allow for more than one preparer to complete the attachment.

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**Attachment revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Include “**REVISED – date**” in the **subject line** of the submission e-mail as well as in the **file name**. Resubmit the revised attachment; and ensure that the [Revision Control Log](#) tab has been completed.

**Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.**

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**Nonexchange transactions**

Nonexchange transactions are those transactions where a government gives (or receives) value without directly receiving (or giving) equal value in return. **GASBS No. 33** includes guidelines for when to record revenues for nonexchange transactions. Revenues **not** meeting the recognition requirements are reclassified as unearned revenue. For additional guidance on nonexchange transactions, refer to the **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, and **Directive Glossary** which can be found on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov) (click on the "Financial Statement Directives" link) and **GASBS No. 33**, *Accounting and Financial Reporting for Nonexchange Transactions*.

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**Reimbursement versus non-reimbursement grants**

Appropriate grant classification (reimbursement / non-reimbursement) is critical to accurate reporting of federal activity in the CAFR. Non-reimbursement grants and reimbursement grants are defined on the following page. **This attachment should include ONLY non-reimbursement grants.** While reimbursement grants are not reported on this attachment, understanding the definition of a reimbursement grant should assist in determining non-reimbursement grants. Information has also been included in a subsequent section regarding the CAFR federal entries DOA records in an effort to clarify the purpose of this attachment.

Additionally, this attachment evaluates **ONLY federal revenue**; therefore, **for the purpose of this attachment, the reimbursement / non-reimbursement determination must be evaluated from the receiving perspective.** Evaluate the classification based on the eligibility criteria under which the federal funds are received from the federal government or another agency, **REGARDLESS** of how the funds are disbursed to subrecipients. Eligibility for federal expenditure recognition requirements is evaluated on **Attachment 16 - GASBS No. 33 Expenditure and Revenue Analysis.**

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**Reimbursement  
(expenditure-  
driven) grants**

**Reimbursement (expenditure-driven) grants are NOT included on this attachment; however, the following explanation may assist in identifying non-reimbursement grants.**

**NOT INCLUDED  
ON THIS  
ATTACHMENT**

Reimbursement grants are government-mandated or voluntary nonexchange transactions in which **expenditure is the prime factor for determining eligibility**. **If the grant agreement indicates that the resources belong to the provider until allowable costs are incurred, the grant is expenditure-driven.** If the grant does not specify, the agency should review the laws or regulations that cover the grant (for example, the U.S. Office of Management and Budget's Compliance Supplement and applicable sections of the *Code of Federal Regulations*).

**Note:** If a grant meets the definition above and the federal funds are drawn down a few days in advance of the expenditure, **the grant is still a reimbursement grant.** For financial reporting purposes, the revenue cannot be recognized until the expenditure is incurred; therefore until the expenditure is incurred, these amounts are reported as unearned revenue on the financial statements.

**Non-  
reimbursement  
(formula)  
grants**

**This attachment accumulates information for non-reimbursement (formula) grants.** Non-reimbursement (formula) grants are government-mandated or voluntary nonexchange transactions involving the provision of resources **based upon established criteria (for example, population) other than the incurrence of qualifying expenditures**.

**INCLUDED  
ON THIS  
ATTACHMENT**

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**Federal CAFR  
entries  
recorded by  
DOA**

For financial reporting purposes, **reimbursement grant revenue** can only be recognized when the associated expenditures are incurred, provided all other eligibility requirements have been met. As such, there should be no ending fund balance (revenues in excess of expenditures) for reimbursement (expenditure-driven) grants due to the fact that the revenue is recognized at the same time as the expenditure. DOA records the following statewide CAFR entry to eliminate the ending fund balance (revenues in excess of expenditures) in the Federal Special Revenue Fund:

Federal Revenue  
    Unearned Revenue

However, an ending fund balance could exist in the federal fund for **non-reimbursement grants**, due to the fact that revenue recognition is not contingent on incurred expenditures. For this reason, it is possible that revenues will exceed expenditures, resulting in an ending fund balance for non-reimbursement grants. Due to the fact that the entire ending fund balance was already eliminated in the CAFR entry mentioned above, the following CAFR entry must be recorded to reestablish the appropriate ending fund balance related to non-reimbursement grants in the federal fund:

Unearned Revenue  
    Federal Revenue

This attachment is designed to accumulate the ending fund balance for **non-reimbursement grants** so DOA can report the appropriate ending fund balance for the CAFR Federal Special Revenue Fund.

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**Spreadsheet instructions**

For **non-reimbursement grants**, identify grants for which the agency met eligibility requirements defined in **GASBS No. 33**. Determine the ending fund balance for these grants.

Step	Action
-	Record the contact information.
-	<p><b>Complete the questions at the top of the spreadsheet.</b></p> <ul style="list-style-type: none"> <li>• Does the agency have any <b>non-reimbursement grants</b>?            -If <b>yes</b>, select yes and continue below.            -If <b>no</b>, select no and submit the attachment.</li> <li>• Did the agency have any non-reimbursement grants received as of June 30 that met the eligibility requirements defined in <b><u>GASBS No. 33</u></b> as of June 30, 2009? (See <b>Note</b> below.)            - If <b>yes</b>, complete the spreadsheet and only include the non-reimbursement grants that met eligibility.            - If <b>no</b>, submit the spreadsheet.</li> </ul> <p><b>Note:</b> For <b>non-reimbursement</b> grants, the <b><u>only applicable eligibility requirements are:</u></b></p> <ol style="list-style-type: none"> <li>1) <b>Required characteristics of recipients</b>, and</li> <li>2) <b>Time requirements.</b></li> </ol> <p>Refer to the Authoritative Literature / Guidelines for Preparation of GAAP Basis Fund Financial Statement Templates, which can be found on DOA's website at <a href="http://www.doa.virginia.gov">www.doa.virginia.gov</a> for additional guidance.</p>
1	<p>Record the agency # and the fund / fund detail.</p> <ul style="list-style-type: none"> <li>• Ensure all federal expenditures are recorded in the proper federal funds in CARS. Do not use a fund other than 1000 unless you have received approval from General Accounting to record federal activity in a fund other than 1000 on CARS.</li> <li>• Fund / fund detail 10XX, 12XX and 13XX have been set up specifically for federal stimulus dollars.</li> </ul>
2	Record the CFDA # using XX.XXX format. Visit <a href="http://www.cfda.gov">www.cfda.gov</a> for a list of valid CFDA numbers and descriptions.

*Continued on next page*

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**Spreadsheet Instructions (continued)**

<b>Step</b>	<b>Action</b>
3	Record the revenue source code or transfer GLA. This should be keyed as numeric; therefore, source code 09060 would be 9060.
4	If a revenue source code was identified in step 3 above, then use the drop-down list to record the <b><u>GASBS No. 34</u></b> revenue classification. For proper <b><u>GASBS No. 34</u></b> government-wide revenue classification, refer to the <b><u>GASBS No. 34 Government-wide Revenue Classification Table</u></b> on DOA's website at <a href="http://www.doa.virginia.gov">www.doa.virginia.gov</a> . Click on the "Financial Statement Directives" link.
5	The title of the federal grant will automatically populate based on the CFDA # entered in Step 2.
6	Record the ending balance per CARS for each grant. This represents the sum of General Ledger Accounts (GLAs) 1xx to 4xx (Assets) and GLAs 5xx to 7xx (liabilities) excluding GLA 102 and 703 (budgetary accounts). If the grant has a cash balance, record a positive number.
7	Record total <b>modified accrual</b> receivables (received in July and August 2009) per Attachment 22 – Receivables as of June 30 for each grant. Record receivables as a positive number.
8	Record the total amount of P-vouchers recorded in July and August 2009 for each grant. Record payables as a positive number. (The spreadsheet will calculate the ending balance appropriately.)
9	Record <b>full accrual</b> receivables (received after August 31, 2009) per Attachment 22 – Receivables as of June 30 for each grant. Record receivables as a positive number.
10	Record total other <b>full accrual</b> entries (paid after August 31, 2009) per Attachment 27 – Government-wide Payables and Other Accruals for each grant. Record payables as a positive number.
11	Provide a brief description of this grant. This column is formatted as wrap text.

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