

## Frequently Asked Questions

### General Questions

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Q1: Is it necessary to read attachment instructions?

A1: Attachments are often modified to meet changing reporting requirements. In order to appropriately complete a directive attachment, it is imperative that you read the related instructions. By typing your name in the Certification tab of directive attachments, you are certifying that the preparer and reviewer were not the same and you have read and understood the instructions for completing this attachment.

Q2: What is the purpose of a **Glossary**?

A2: The **glossary** is a compilation of accounting terms taken from the CAPP Manual, the Commonwealth's CAFR, various sections of the Comptroller's Directives, the GAAFR, and various GASB and FASB statements. Its purpose is to provide clarification of terms and concepts relevant to the Commonwealth's financial reporting requirements.

Q3: Where can you find **Authoritative Literature** and **Guidance** for preparation of GAAP Basis Fund Financial Statement Templates?

A3: Authoritative Literature and Guidance for preparation of GAAP Basis Fund Financial Statement Templates can be found on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov). Click on the "Financial Statement Directives" link.

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## Frequently Asked Questions

### Questions by Attachment

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#### Attachment 1

- Q4: What constitutes a **termination benefit**?
- A4: **Termination benefits** are benefits provided to a terminated employee as a result of their termination that would not otherwise have been provided. Examples include severance pay or early retirement incentive benefits. Accrued leave payouts that were earned as a result of services rendered are not considered termination benefits.
- Q5: What is a good source for obtaining termination benefit information for your agency?
- A5: Termination benefits are the result of an authorized plan of termination which requires approval by those at your agency with the authority to commit the agency to the plan. A good source for this information is your agency **Human Resources Office** since after approval of a termination plan, the Human Resources Office is usually responsible for carrying out the details of the plan.
- Q6: Do amounts reported in **Attachment 1** require inclusion in the Off-Balance Sheet Obligation attachment?
- A6: **No**, amounts reported in **Attachment 1** are available to DOA and should not be reported in the Off-Balance Sheet Obligation attachment.
- Q7: What is the purpose of the questions in the General Information section of this attachment?
- A7: The questions in the General Information section are designed to gather information that will assist DOA in implementing various GASB Statements.

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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachment 5

- Q8: What is the purpose of the **Prior Year Energy Performance Contract Cumulative Asset Balance by Agency List**, published on DOA's website?
- A8: The purpose of this list is to obtain agency confirmation that it is accurate. The list includes the original contract proceeds, CAFR threshold level assets recorded, assets below CAFR threshold level recorded on FAACS, noncapitalizable expenditures, and construction-in-progress (CIP) balance.
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#### Attachments 6A, 6B and 6C

- Q9: What is **leave liability**?
- A9: Leave Liability is the monetary value of your agency staff's leave balances at fiscal year-end.
- Q10: What is **current leave**?
- A10: Current leave is the portion of the total leave liability due to employees who terminated prior to fiscal year-end but were paid after fiscal year-end, usually in July or August.
- Q11: Should **Executive Leave** be included on this attachment?
- A11: **No**, Executive Leave should be excluded since it does not accrue or carry over to the following year.
- Q12: At June 30, if your agency is no longer a CIPPS leave user, what leave reports are created from CIPPS?
- A12: No reports are generated from CIPPS for Non-CIPPS users for leave liability purposes.
- Q13: If your agency converted from CIPPS leave to TAL during FY 2015, what information is provided by CIPPS for leave liability purposes?
- A13: Since TAL is a Non-CIPPS leave system, no reports are generated from CIPPS for leave liability purposes.
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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachments 6A, 6B and 6C, continued

- Q14: If your agency uses CIPPS or TAL for some employees, but not for ALL employees, which leave attachment should be completed?
- A14: These agencies, which are considered “hybrid” agencies, should complete **Attachment 6C**, Leave Statement for Non-CIPPS, Non-TAL, and Hybrid Users.
- Q15: If your agency payroll is processed by the Payroll Service Bureau and your agency is a Non-CIPPS user for leave purposes, will the Payroll Service Bureau complete the leave liability schedules?
- A15: **No**, the Payroll Service Bureau cannot prepare leave liability schedules for Non-CIPPS leave system users. As such, your agency must complete the leave liability schedules.
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#### Attachment 8

- Q16: How should **donated inventory** received be reported?
- A16: Donated commodities should be **excluded** from Part 1 **Tab 1 – Inventory** and included on **Tab 3 – Donated Inventory**.
- Q17: Is any donated inventory exempt from reporting?
- A17: **Yes**. Donated inventory that the agency took physical custody of and that was, or will be, distributed by the agency should be **included** on this attachment. However, donated inventory in which the agency only acts in an administrative capacity should be **excluded** from the attachment.
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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachments 9 through 13

- Q18: Why am I required to complete a financial statement template (Attachments 9-13)?
- A18: Generally, financial statement templates are used when information is either not available in the Commonwealth's Accounting and Reporting System, CARS, or full accrual information for stand-alone funds is required to prepare the Comprehensive Annual Financial Report (CAFR). The Governmental Fund Financial Statement Template is intended to obtain financial statement and footnote information for governmental funds with off-CARS activity. The Enterprise Fund and Internal Service Fund Financial Statement Templates are intended to obtain full accrual financial statement and footnote information for proprietary funds, which account for the Commonwealth's business-type activities. The Private-purpose Trust Fund and Agency Fund Financial Statement Templates are intended to obtain financial statement and footnote information for private purpose and agency funds.
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#### Attachment 14

- Q19: What is the purpose of the **Prior Year Reported Intangible Balances By Agency and Category** list published on DOA's website?
- A19: The purpose of this list is to obtain agency confirmation that the intangible assets reported by the agency as of the prior year by category are accurate. The categories include Water Rights & Easements, Software, and other intangibles.
- Q20: Should the acquisition cost associated with Land be reported on **Attachment 14**, Capital Asset Accounting and Control System (FAACS) Analysis, part 5, CIP Analysis?
- A20: Typically, land should be recorded as land; however, if the final acquisition cost is unknown, then it would be appropriate to report land as CIP until the actual cost is known. It would be expected that this would occur very infrequently.
- Q21: Is software the only type of intangible asset addressed by **GASBS No. 51**?
- A21: **No, GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets***, identifies numerous types of assets as intangibles. Some of these other assets are easements, water rights, timber rights, patents and trademarks.
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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachment 14, continued

- Q22: How can additional information about intangible assets and the Commonwealth's reporting requirements be obtained?
- A22: Refer to the **GASBS No. 51** section of the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates, GASBS No. 51 Frequently Asked Questions**, and CAPP Topic No. 30325, *Software and Other Intangible Assets*, on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov).
- Q23: Should capital lease assets be reported on **Attachment 14**, Capital Asset Accounting and Control System (FAACS) Analysis?
- A23: **No.** All capital lease activity should be captured in the LAS system, unless it is activity that has been transferred to the Division of Real Estate Services (DRES) at DGS. DRES will provide the necessary information for all DRES-administered leases.
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#### Attachment 15

- Q24: How does the American Reinvestment and Recovery Act of 2009 (**ARRA**) affect federal reporting in the Commonwealth?
- A24: The ARRA has stringent reporting requirements. In order to comply with the required reporting transparency, agencies must report any ARRA funds separately in both CARS and on the templates. The **Attachment 15**, Federal Schedules, instructions and schedules will provide additional information regarding the CARS fund/fund details and template requirements. Additional information regarding ARRA reporting is located on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov) and may be accessed by clicking on the Stimulus Accounting and Reporting Information button.
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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachment 17

- Q25: Does **Attachment 17**, Short-term Debt, need to be completed if the agency does not have an outstanding balance of short-term debt at fiscal year-end?
- A25: **Yes.** If the agency had short-term debt outstanding to a party external to the Commonwealth during the fiscal year, and paid the loan off prior to fiscal year-end, **Attachment 17** must still be provided so that the beginning balance and increases and decreases of the activity are included in the required footnote disclosure in the Commonwealth's annual report. Refer to the [GASBS No. 48 Commonwealth of Virginia Intra-Entity Reporting List](#) on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov) for additional information on external parties.
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#### Attachment 22

- Q26: Should a Federal Receivable always be reported for a Federal Payable?
- A26: A Federal Receivable should be reported for Federal expenditure payables owed as of June 30. This should include all Federal payables that are reported in accordance with the **2015 Fiscal Year End Closing Procedures** and **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**; any other federal payable (i.e. salaries or wages) processed in July and August; and/or any amount to be included on **Attachment 28A**, Government-wide Payables and Other Accruals as of June 30 – CARS Users, **or Attachment 28B**, Government-wide Payables and Other Accruals as of June 30 – Cardinal Users, that did not have the offsetting cash on hand (applicable to the specific grant) as of June 30.
- Q27: Should a Federal Receivable always be reported for a Federal Payable in a pass-thru scenario on **Attachment 22**, Receivables as of June 30?
- A27: For Federal grants in which the recipient (original source) will pass the funding on to a sub-recipient to complete the stipulations of the grant, a revenue receivable should be reported on **Attachment 22**, Receivables as of June 30, for amounts owed at June 30 by the recipient to sub-recipient(s) if the recipient did not have offsetting cash on hand (applicable to the specific grant) at June 30 for each grant. The sub-recipient should only include an interagency receivable on the **Reconciliation** tab of Attachment 22 for the amount they are owed by the recipient agency.
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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachment 22 (continued)

Q28: How are **Travel Advances** reported?

A28: Travel Advances should be reported on the Quarterly Receivable report and reported on Attachment 22 on the reconciliation tab.

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#### Attachment 24

Q29: Should **petty cash advances** be reported on **Attachment 24**, Schedule of Cash, Cash Equivalents, and Investments as of June 30?

A29: No.

Q30: How does an agency report derivatives in compliance with **GASBS No. 53**, *Accounting and Financial Reporting for Derivative Instruments*?

A30: Contact DOA to determine the proper procedure for reporting derivatives.

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#### Attachment 25

Q31: When completing **Attachment 25**, Donor Restricted Endowments, should investment income be included in the amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the governing board?

A31: **No**, net appreciation on investments of donor-restricted endowments does not include dividends or interest income.

Q32: Should negative amounts be entered in the net appreciation column on the attachment?

A32: **No**, enter zero.

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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachment 26

- Q33: Does **Attachment 26, GASBS No. 33** – Federal Fund Analysis – Nonreimbursement Grants, have to be completed if the agency only has reimbursement based grants and does not have any advance funded grants?
- A33: **Yes**, all agencies with federal funds must complete this attachment.
- Q34: Should the modified and full accrual receivables amounts agree to any other attachment?
- A34: **Yes**, they should agree to amounts entered on **Attachment 22**, Receivables as of June 30, for the specific grant(s).
- Q35: Should the total other full accrual entry amounts agree to any other attachment?
- A35: **Yes**, they should agree to amounts entered on **Attachment 28A**, Government-wide Payables and Other Accruals – CARS Users or **Attachment 28B**, Government-wide Payables and Other Accruals – Cardinal Users, for the specific grant(s). In addition, for Wave 1 Agencies, this should include full accruals paid in September 2015 in accordance with the **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**.
- Q36: Should a Federal Receivable always be reported for a Federal Payable?
- A36: A Federal Receivable should be reported for Federal expenditure payables owed as of June 30. This should include all Federal payables that are reported in accordance with the **2015 Fiscal Year End Closing Procedures** and **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**; any other federal payable (i.e. salaries or wages) processed in July and August; and/or any amount to be included on **Attachment 28A** or **Attachment 28B** that did not have the offsetting cash on hand (applicable to the specific grant) as of June 30

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## Frequently Asked Questions

### Questions by Attachment, Continued

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#### Attachment 33

- Q37: Since all agencies are required to submit **Attachment 33**, 2015 Off-Balance Sheet Financial Obligations, how should the agency report to DOA if there are no off-balance sheet obligations?
- A37: If the agency determines there are no off-balance sheet obligations that require inclusion in Attachment 33, the agency should use the drop-down to answer “no,” complete the Certification tab, and submit.
- Q38: Should contracts with Localities be reported on **Attachment 33**?
- A38: It depends on the nature of the contract. DOA is trying to use information available from central service agencies to the extent possible. If the contract with the locality represents a normal, recurring operational cost included in the 6-year plan submitted to DPB, it does not require inclusion in **Attachment 33**. If it is not included in the 6-year plan and the Commonwealth is committed to future outflows, it should be included in **Attachment 33**.
- Q39: If the Commonwealth receives a grant but the grant is solely reimbursement-based (i.e., the Commonwealth has spent the money and is being reimbursed), should this be reported on **Attachment 33**?
- A39: **No**, the Commonwealth is not committed to a future outflow of funds.
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