

Attachment HE-10 Helpful Information
Comptroller's Directive No. 2-15
Directive Compliance Guidelines for Higher Education Institutions

Purpose: To provide general information to facilitate completion of the Attachment HE-10 and address common DOA follow-up review questions.

Checklist Tab:

- Ensure the Checklist tab is read before completing the HE-10
- Ensure the Checklist tab is completed after all other tabs (except the Certification tab).
Some things to consider:
 - Confirm there are no error messages
 - Ensure that the appropriate drop-down response is selected and appears reasonable in relation to other information being submitted
 - Ensure responses are reasonable in relation to other line items and information within the HE-10
 - Ensure agreement of amounts to other previously submitted attachments or other information
 - Review the informational amounts provided
 - Ensure these amounts are correct
 - If incorrect, make the required adjustments
 - Ensure all applicable questions have responses
- If the HEI has no SNAP Individual Portfolio amounts, ensure the Item 10 response (first line) is “no” and keep in mind that item 10 is only referring to balances in a SNAP **individually managed portfolio** and not balances in the SNAP Fund.
- For item 11, ensure the Energy Performance Contracts have been reported as Installment Purchases

General Items to Consider:

- Review the prior year communications, including correcting adjustments, to determine whether similar circumstances exist in the current year that will impact the template or financial statement preparation.
- Ensure DOA is notified if anything is noted when completing the institution's financial statements that will impact the HE-10.
- Ensure there are no negative balances reported on line items that should reflect positive balances. Previously, the following have been incorrectly reported:
 - Net Position – Total Restricted for Nonexpendable,
 - Net Position – Total Restricted for Expendable, and
 - Miscellaneous Revenues

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General Items to Consider, continued:

- Review each completed tab to ensure the information/amounts are reasonable, complete and contain no obvious errors
 - For instance, a “yes” response on TAB 7, Part 6 regarding significant violations of finance-related legal or contractual provisions requires a description. If the description box is left blank, this represents an incomplete, and possibly inaccurate, response. In addition, typically the answer to this question is “no” rather than “yes.”

Fluctuation Analysis:

- Ensure the explanation provided is sufficient to ensure any unexplained difference is below the fluctuation analysis scope. For FY 2015, the remaining unexplained variance should be **less than**:
 - \$2.6 million and 10% **OR** Less than \$8.8 million
- Ensure the explanation provided includes reason(s) for the variance that are reasonable when considering the nature of the line item. For instance,
 - An increase in Miscellaneous Revenue states that the variance was due to increases in student housing fees. Additional information should be provided to clarify why the revenue is classified as Miscellaneous Revenue instead of Program Revenue-Charges for Services.
- Ensure that the explanation is consistent with other fluctuation explanations or other items reported on the template, footnote tabs or other attachments. For instance,
 - The explanation for a \$5 million increase in Net Position – Unrestricted line item may indicate there was an increase in unrestricted donations. However, there is no amount reported on the Grants & Contributions not Restricted to Specific Programs template line item **OR** there is an amount without a similar increase. This could indicate that the template includes a misclassification.
 - If a Foundation fluctuation indicated that the capital asset balances were reduced due to a transfer to the institution, this would indicate that there was a **GASBS No. 48** transaction. The institution should ensure that the responses regarding intra-entity transfers on Attachment HE-10 TAB 7 Parts 15g and 15i are consistent with this explanation.
 - Try to avoid using acronyms

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Elimination Entries:

- Ensure all elimination entries are reasonable when compared to the prior year
- Consider whether it is appropriate to record an elimination entry in one year but not the other
- Ensure that all significant differences can be explained
- Ensure that all elimination entries have been properly reported
- Remember that the Elimination Entries column on the Combining FST tab is only for elimination entries among the foundations. The Elimination Entries to FST tab is for eliminations between the HEI and the foundations.
- Review the Combined Total on the FST tab to ensure that the ending balance for all line items is appropriate after all eliminations have been posted. This would include ensuring the appropriate sign (for example, liabilities have credit balances, assets have debit balances)

TAB 1A, GASBS 3:

- Ensure amounts reported on TAB 1a Part 1 agree to amounts per CARS GLA 101 **excluding** Funds 0100, 0322 and 0965
- Submit a reconciliation **if**:
 - Cash with Treasurer of VA line item **PLUS** Restricted Cash with Treasurer of VA line item **DOES NOT EQUAL** CARS GLA 101 **excluding** Funds 0100, 0322 and 0965
- Agree the Part 2 amounts to the Attachment HE-11 Detail tab Part 1a
- Agree the Part 3 amounts, **excluding** nonnegotiable CDs, to the Attachment HE-11 Detail tab Part 3
- Agree nonnegotiable CDs to the Attachment HE-11 Detail tab Part 1.1a

TAB 2, Receivables:

- Ensure the net receivables expected to be collected in greater than one year reported on the TAB 2 Part 1 is reasonable when compared to the noncurrent receivables reported on the HEI-Assets & Def. Outflows tab.

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TAB 3, Capital Assets:

- Ensure the increase and/or decreases provided in Part 1 are reasonable and consistent with HEI fluctuation analysis explanations
- Ensure Part 4 responses are consistent within the subparts. For instance,
 - If the response in Part 4.1A is “no,” the remaining questions in Part 4.1 and Part 4.2 should be blank
 - If the response in Part 4.1A is “yes,” the remaining questions in Part 4.1 and Part 4.2 must be answered
 - Part 4.3 must always be completed

TAB 5, LT Liabilities:

- Ensure that notes payable, **excluding VCBA Pooled Bonds**, includes the following in Part 1:
 - Type of note
 - Payee
 - Reason for note
 - Interest rate
 - Maturity date
- Ensure the appropriate amount is included in Part 1a to reflect the restatement associated with the implementation of **GASBS No. 68** as amended by **GASBS No. 71**
- Ensure the deferred outflows/deferred inflows of resources for deferral on debt defeasance amounts are entered as **positive** amounts in Part 1b
- Ensure that future interest payments are included in Part 2 for installment purchases

TAB 6, Commitments:

- Ensure all amounts reported **exclude** significant intrafund transactions with blended or discretely presented foundations
- Ensure amounts reported are consistent with commitments provided in the previous year

TAB 7, Miscellaneous:

- Ensure that the appropriate drop-down response is selected and appears reasonable in relation to other information being submitted
- Review the informational amounts provided and ensure the applicable questions have responses
 - For instance, if an amount is reported on the Inventory FST line item, the amount should appear in the informational totals in Part 1. In this instance, Parts 1a to 1f must be completed. If no amount is reported on the Inventory FST line item, only Part 1e must be completed.

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TAB 7, Miscellaneous, continued:

- Ensure amounts reported in Parts 11a, 11b, 12a, and 12b do not represent a FST misclassification
 - For instance, if the description for the other liabilities amount is deferred rent and registration, ensure this does not represent amounts that should be classified as unearned revenue
- Ensure the Part 20 responses regarding Service Concession Arrangements are clear as follows:
 - If the response to Part 20a is “no,” ensure the responses to Parts 20b to 20f are “n/a”
 - If the response to Part 20g is “no,” ensure the responses to Parts 20h to 20l are “n/a”
- Ensure the Parts 22 and 23 responses regarding **GASBS No. 65** are complete and clear as follows:
 - If the response to Parts 22a, 22b, 23a and/or 23b is “yes” for any items that require reporting a deferred inflow/outflow of resources and/or expenses/revenues in accordance with **GASBS No. 65** on the FST, ensure the response to 23c is “yes”
- Ensure the Part 24 responses regarding **GASBS No. 70** are clear as follows:
 - If the response to Part 24a is “no,” ensure the response to Part 24b is “n/a”
 - If the response to Part 24c is “no,” ensure the response to Part 24d is “n/a”

TAB 9, Net Investment in Capital Assets:

- Ensure amounts are reasonable in relation to other amounts provided
 - If unspent proceeds on debt related to capital assets, excluding investment earnings, are included in the calculation, also include the accounts/retainage payable amount to be repaid with the unspent proceeds and
 - Ensure the unspent proceeds amount exceeds the payable amount
 - Ensure that the payable has been properly computed
 - Compare unspent proceeds on TAB 9 to restricted SNAP funds on TAB 1A Part 6a
 - For instance, unspent proceeds of \$28.1 million on TAB 9 may be reasonable when compared to restricted SNAP funds of \$28.3 million reported on Tab 1A, Part 6a, since unspent proceeds on TAB 9 must exclude investment earnings.
- Ensure amounts are included in appropriate categories. If there is an amount to be included for which there is no specific line, classify as other and provide a description
- If there is an unspent proceeds on debt related to capital assets amount, excluding investment earnings reported, ensure the answer to the question in Note A is “yes.”
- When keying amounts pursuant to **GASBS No. 65**
 - Key Deferral on Debt Defeasance - loss as a **positive** amount
 - Key Deferral on Debt Defeasance – gain as a **negative** amount

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TAB F1, Cash, Cash Eqy, and Inv:

- Ensure amounts reported in the “other” category should not be reclassified to one of the more descriptive categories.
 - For instance, if the word “partnership” is included in the “other” description, determine whether it would be more appropriate to include this amount in the “partnerships” category.

TAB F3, Receivables:

- Ensure the net receivables expected to be collected in greater than one year is reasonable when compared to the noncurrent receivables reported on the Foundations-Assets tab
- If contributions receivable are reported, provide the discount rate used to determine present value
 - If more than one discount rate was used, provide the highest and lowest rates used

TAB F6, Commitments:

- Ensure all amounts reported **exclude** significant intrafund transactions with the HEI or other foundations
- Ensure amounts reported are consistent with commitments provided in the previous year

TAB F7, Miscellaneous:

- Ensure that the appropriate drop-down response is selected and appears reasonable in relation to other information being submitted
- Provide responses to the new question added to Part 1b if audited financial statements were not used to complete HE-10 for foundations
- Review the informational amounts provided for Part 2 and ensure the answers are appropriately completed
 - If there are no informational totals, ensure all responses are “n/a”
 - If there are informational totals, ensure that at least one response is “yes” if the descriptions provided are appropriate
 - Contact DOA if the descriptions provided are not appropriate
- Review the informational amounts provided for Part 3 and ensure the answers are appropriately completed
 - If there are no informational totals, ensure all responses are “n/a”
 - If there are informational totals, ensure the responses are “yes” if the descriptions provided are appropriate
 - Contact DOA if the descriptions provided are not appropriate

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TAB F7, Miscellaneous, continued:

- Ensure amounts reported in Parts 7a, 7b, and 8 do not represent a Combining FST misclassification
- Ensure Part 6a responses are reasonable based on the foundation year-end dates
 - If 6/30 fiscal year end, ensure the Part 6a response is “n/a”
 - If 3/31 or 12/31 fiscal year-end, ensure the Part 6a response is either “yes” or “no”
 - If there are any “yes” responses, ensure Tab F8 is completed
- Ensure Part 6b responses are reasonable based on the foundation year-end dates
 - Ensure that an “n/a” response is only provided if:
 - There is only one foundation
 - All foundations have the same year-end date
 - If there are any “yes” responses, ensure Tab F8 is completed

TAB F8, Intrafund:

- Ensure responses are consistent with Tab F7 Parts 6a and 6b responses and amounts provided are complete

TAB F10, Net Investment in Capital Assets:

- If the unspent proceeds on debt related to capital assets, excluding investment earnings, are included in the calculation, also include the accounts/retainage payable amount to be repaid with the unspent proceeds and
 - Ensure the unspent proceeds amount exceeds the payable amount
 - Ensure that the payable has been properly computed

Reconciliation tabs: CAFR Format (FST) to HEI's format for HEI and Foundation amounts (SNP & SRECNP – Supplemental Item 7):

- Ensure column total amounts agree to the informational totals on the Foundation reconciliation tabs
- Ensure there are no error messages on the HEI reconciliation tabs
- Ensure row line item titles and amounts agree to the SNP & SRECNP
- Ensure the classifications are reasonable between the SNP & SRECNP and the HE-10 after making any required reclassifications
 - Examples of items that might require reclassifications
 - HE-10 – Contributions Receivable; SNP & SRECNP – Prepaid Expenses
 - HE-10 – Program Revenue Operating Grants & Contributions; SRECNP – Rental Income, Net
- Ensure Investment Earnings meeting the criteria for program revenue is reported on the appropriate HE-10 line item