

Office of the Comptroller Directive No. 2-15

Table of Contents

Directive Compliance Guidelines for Higher Education Institutions

Introduction.....	2
Due Dates.....	6
Attachments - Overview	8
Supplemental Information	11
Submission Requirements.....	15
Supporting Work Papers.....	16

Informational Documents Available on DOA's Website

- Higher Education Institution Reporting Procedures
- Manual Leave Liability Calculation Guidelines
- Additional Information: Attachment HE-10 – TAB 3 – Part 4 regarding GASBS No. 42
- Additional Information: Attachment HE-10 – TAB 7 – Part 16 regarding GASBS No. 49
- Additional Information: Attachment HE-10 – TAB 3 & TAB 7 – Part 17 regarding GASBS No. 51
- Additional Information: Attachment HE-10 – TAB 7 – Part 18 & Supplemental Item 7b regarding GASBS No. 53
- Additional Information: Attachments HE-6 & HE-10 – TAB 7 – Part 21 regarding GASBS No. 61
- Additional Information: Attachment HE-10 – TAB 7 - Parts 22 & 23 regarding GASBS No. 63 & GASBS No. 65
- GASBS No. 48 – Commonwealth of Virginia Intra-Entity Reporting List (referred to in Attachment HE-10 – TAB 3 Part 2 and TAB 7 Part 15)
- Master Equipment Leasing Program (MELP) Listing (referred to in Attachment HE-10 TAB 5 Part 2 and Checklist tab Item 42)

Attachments HE-1 Through HE-15

Attachment HE-1, FY 2014 Off-Balance Sheet Financial Obligations - Update	
Attachment HE-2, Contact Survey	
Attachment HE-2a, Survey	
Attachment HE-3, Beginning Net Position Reconciliation	
Attachment HE-4, On-Behalf Payments	
Attachment HE-5, Optional Retirement Plans	
Attachment HE-6, <u>GASBS No. 14</u> Checklist Modified to Reflect <u>GASBS Nos. 39 & 61</u>	
Attachment HE-7, Federal Schedules	
Attachment HE-8, Appropriation Available and Appropriation Revenue	
Attachment HE-9, Treasury's Reimbursement Programs	
Attachment HE-10, Financial Statement Template	
Attachment HE-11, Schedule of Cash, Cash Equivalents, and Investments as of June 30	
Attachment HE-12, Adjustments	
Attachment HE-13, Report of Financial Condition	
Attachment HE-14, Subsequent Events	
Attachment HE-15, FY 2015 Off-Balance Sheet Financial Obligations	

Office of the Comptroller Directive No. 2-15

Directive Compliance Guidelines for Higher Education Institutions

Introduction

Purpose

This Directive provides guidance to higher education institutions for submitting the following items to the Department of Accounts (DOA) primarily to assist in the preparation of the Commonwealth's Comprehensive Annual Financial Report (CAFR).

- Financial statement template based on generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB)
 - Other financial information
-

Institution compliance

Institutions are required pursuant to the *Code of Virginia, §2.2-803* and *§2.2-813*, as amended, to submit a financial statement template and/or other financial information primarily for the following reasons.

- The financial information required by this Directive is necessary for DOA to prepare the CAFR. The CAFR must be audited and issued by December 15.
 - The bond rating agencies use the CAFR to determine Virginia's bond rating. Maintaining an unmodified opinion on the CAFR is critical to Virginia retaining its AAA bond rating.
 - The bond rating agencies require that parts of the CAFR be included in bond offering statements.
-

Effective date

This is effective for fiscal years ended June 30, 2015, and thereafter.

This Directive rescinds and replaces Office of the Comptroller's Directive No. 2-14, "*Directive Compliance Guidelines for Higher Education Institutions.*"

Continued on next page

Introduction, Continued

Applicability

This Directive applies to the Roanoke Higher Education Authority (RHEA), Innovation and Entrepreneurship Investment Authority (IEIA), Institute for Advanced Learning and Research (IALR), Southwest Virginia Higher Education Center (SWVHEC), Southern Virginia Higher Education Center (SVHEC), New College Institute (NCI), and all of the following state-supported higher education institutions:

- Christopher Newport University (CNU)
- The College of William & Mary (CWM) – includes Richard Bland College and the Virginia Institute of Marine Science
- George Mason University (GMU)
- James Madison University (JMU)
- Longwood University (LU)
- Norfolk State University (NSU)
- Old Dominion University (ODU)
- Radford University (RU)
- University of Mary Washington (UMW)
- University of Virginia (UVA) – includes UVA College at Wise and the UVA Medical Center
- Virginia Community College System (VCCS)
- Virginia Commonwealth University (VCU) – includes the VCU Health System Authority (VCUHSA)
- Virginia Military Institute (VMI)
- Virginia Polytechnic Institute and State University (VPI&SU)
- Virginia State University (VSU)

Financial statements – two versions

GASB reporting requirements have increased over the years and have resulted in two different versions of each institution's financial statements (institution format vs. CAFR format). Each institution must ensure that internal controls over the institution's individually published financial statements and also the directive submissions provided to DOA for preparation of the CAFR are strong and result in complete and accurate information.

Continued on next page

Introduction, Continued

Failure to comply

The *Code of Virginia, §2.2-5004 A3*, identifies “substantial compliance with all financial reporting standards approved by the State Comptroller” as an integral part of the financial and administrative management standards. **DOA will evaluate both the timeliness and accuracy of submissions to DOA to help determine whether the higher education institutions have complied with this management standard.** Failure to comply with this Directive could result in the following:

- The institution may not meet financial and administrative management standards; and
- The Comptroller may disclose such failure in the *Quarterly Report on Statewide Financial Management and Compliance*.

SAS 122

Statement on Auditing Standards No. 122, *Clarification and Recodification*, AU-C Section 265 (paragraph .A11), states that the identification by the auditors of a material misstatement is an indicator of a material weakness in internal control. This also includes restatements of previously issued financial statements to reflect a correction of a material misstatement. This applies even if the institution discovers the restatement. (Note: This does not apply to a change in accounting principle to comply with a new accounting principle or a justifiable voluntary change from one GAAP to another.) Institutions must ensure controls are in place to avoid material misstatements and/or misclassifications in the individually published financial statement (institution format) and the financial statement template (CAFR format).

Institutions that are required to report foundations that follow FASB reporting requirements in their individually published financial statements as a discrete component unit are responsible for obtaining the information from the foundations in order to comply with this directive. As stated in the appendix in AU-C Section 265 of SAS 122 (paragraph .A37), one example of a potential material weakness is the failure to obtain timely and accurate consolidating information required for financial statement reporting.

Continued on next page

Introduction, Continued

Questions

Christy Tuck
Senior Lead Financial Reporting Analyst
Phone: (804) 225-3180
E-mail: Christy.Tuck@doa.virginia.gov

John Sotos
Assistant Director - Financial Statements
Phone: (804) 225-2111
E-mail: John.Sotos@doa.virginia.gov

Sharon Lawrence
Director of Financial Reporting
Phone: (804) 225-2414
E-mail: Sharon.Lawrence@doa.virginia.gov

Directive availability

This Directive is available at www.doa.virginia.gov. Higher education institutions' fiscal officers are notified via e-mails. The Commonwealth Accounting and Reporting System (CARS) users are notified via the CARS Broadcast Screen.

Communications

Each institution is responsible for properly preparing the institution's individually published financial statements and the directive submissions. However, if DOA determines guidance on a reporting issue is required, this will be communicated to the institutions as needed. It is important to read emails from DOA soon after receipt of the e-mail to ensure you understand and comply with the guidance.

If DOA determines additional information is needed from the institution not included in this Directive, DOA will contact the institution as needed and provide applicable due dates. Separate communications may be sent anytime during the year.

In addition, if DOA needs additional information regarding the foundation(s), the institution will be responsible for obtaining the information from the foundation(s).

Due Dates

Listing of attachments & supplemental information

The column below titled “Complete for HEI or Foundation(s)” documents the financial information that must be reported on the attachments and supplemental information. In this section, the acronyms are defined as follows:

- **HEI:** Higher education institution including any blended component units of the HEI.
- **Foundation(s):** For purposes of this directive, this includes any foundation/entity that is a discrete component unit of the HEI as required by GASBS No. 39.

<i>Attachment Number</i>	<i>Complete for HEI or Foundation(s)</i>	<i>Attachment or Supplemental Information</i>	<i>Due Date</i>
HE-1	HEI	FY 2014 Off-Balance Sheet Financial Obligations – Update	July 9
HE-2	HEI	Contact Survey	July 9
HE-2a	HEI/Foundation	Survey	July 20
HE-3	HEI/Foundation	Beginning Net Position Reconciliation	July 23
n/a	Tier III HEIs	Supplemental Information Items 1a, 1b, 2, 3	July 27
n/a	All HEIs	Supplemental Information Item 4	July 27
HE-4	HEI	On-Behalf Payments	August 6
HE-5	HEI	Optional Retirement Plans	August 6
HE-6	HEI	<u>GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 & 61</u>	August 6
HE-7	HEI	Federal Schedules	August 20
HE-8	HEI	Appropriation Available and Appropriation Revenue	August 27
HE-9	HEI	Treasury’s Reimbursement Programs	September 8
HE-10	HEI/Foundation HEI/Foundation HEI-if applicable	Financial Statement Template, Supplemental Information Item 7, Supplemental Information Items 7a – 7e	Staggered
HE-11 (formerly HE-12)	HEI	Schedule of Cash, Cash Equivalents, and Investments as of June 30	Staggered
HE-12 (formerly HE-11)	HEI/Foundation	Adjustments	Staggered
HE-13	HEI HEI/Foundation	Report of Financial Condition & Supplemental Information Item 8	Staggered
n/a	HEI/Foundation*	Supplemental Information Item 9 (Note*: Only if requested by DOA - CWM, UVA, VCU, VPI&SU)	November 16
HE-14	HEI/Foundation	Subsequent Events	November 16
HE-15	HEI	FY 2015 Off-Balance Sheet Financial Obligations	January 14, 2016

Due Dates, Continued

Staggered due dates The due dates for the Attachments HE-10, HE-11, HE-12, and HE-13 are as follows:

Attachment HE-10 SNP & SRECNP (Supplemental Information Item 7) Supplemental Information Items 7a-7e, if applicable Data entered into Accounts Receivable System	Attachment HE-11 (formerly HE-12)	Attachment HE-12 (formerly HE-11) HE-13 Final Individually Published F/S (Supplemental Information Item 8)	HEI acronyms
September 17	September 22	October 1	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 21	September 24	October 5	CNU, CWM*, GMU, LU, ODU, VMI, VPI&SU, VSU
September 23	September 28	October 7	UVA, VCU, VCCS*

Note*: The following Supplemental Information Items are required along with the Attachment HE-10 submission:

- The College of William and Mary (CWM) - Supplemental Information Item 5
- Virginia Community College System (VCCS) - Supplemental Information Item 6

ARMICS certification

Institution heads must certify to DOA and APA that they have established, maintained, and evaluated their institution's internal control framework. The ARMICS certification is due **September 30, 2015**. Guidance for preparation and submission of this certification may be obtained from the following:

- Wave 1 Institutions: CAPP Topic No. 10305 – Cardinal, *Internal Control*, on DOA's website at http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics_Cardinal/10305.pdf
- Wave 2 Institutions: CAPP Topic No. 10305 – CARS, *Internal Control*, on DOA's website at http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/10305.pdf

Attachments – Overview

Instructions

Each attachment has instructions that are in the PDF format and available on DOA’s website. These instructions must be read and understood prior to completing the attachments. If you do not understand the instructions and/or have any questions, contact any of the individuals listed in the **Questions** section to discuss.

Attachment changes from the prior year

Refer to the individual attachment instructions for a summary of the changes to the attachment from the prior year. In addition, a listing of changes included in the items of interest document was e-mailed to fiscal officers and is available on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link.

Format - attachments

Most attachments are in an Excel format. There are numerous comments within the Excel attachment spreadsheets that provide clarification regarding information that should be provided. Many cells have validation features to ensure information is entered correctly. If information is not entered correctly, an “ERROR” message will display. Some of the validation functions are as follows:

- Only yellow highlighted cells allow for data entry,
- Only enter whole dollar amounts,
- Amounts on the Attachment HE-10’s financial statement template (FST), Combining FST, or Elimination Entries to FST must agree to the applicable footnote/informational or reconciliation tabs.

Check figures are displayed in red and provide total amounts and variance amounts that should help determine why an “ERROR” message appears in a cell. If there is an “ERROR” message that does not make sense and you cannot correct, contact DOA.

Directive attachment Excel files are in the Excel 2007 version (.xlsx). The Attachment HE-6 Word file is in the Word 2007 version (.docx). If an institution has an earlier version of Microsoft Excel or Microsoft Word and experiences difficulty opening a file, DOA can provide the file in an earlier version.

Continued on next page

Attachments - Overview, Continued

Verify prior year amounts

The Attachments HE-3, HE-8, HE-9, and HE-10 (FST, TAB 3 & TAB 5) include prior year amounts. Prior year amounts will appear on the applicable tab after selecting the institution's acronym. The prior year amounts should be as follows:

Prior year Attachment HE-10 amounts
Plus or minus: Correcting adjusting journal entries (AJEs)

Verify the prior year adjusted amounts and contact DOA if amounts do not agree to the prior year's Attachment HE-10 submission as adjusted for correcting AJEs. This should be done as soon as possible in order to resolve any discrepancies.

Correcting AJEs were identified during the prior year's CAFR cycle either based on correcting AJEs provided by the institution and/or based on the institution's response to DOA inquiries.

Revision control log (RCL) tab

The following attachments include a Revision Control Log (RCL) tab: Attachments HE-2a, HE-3, HE-4, HE-5, HE-7, HE-8, HE-9, and HE-11. If the institution submits a complete and accurate attachment, the RCL tab would be left blank. If the institution discovers that a correction is needed to any of these eight attachments, the attachment must be revised and resubmitted. The changes to the attachment from the first submission to the final corrected submission must be documented on the RCL tab.

DOA analyzes all attachment submissions. If an attachment is revised, this causes extra work for DOA because another analysis is performed for the revised submission. Institutions should strive to ensure that these attachments are complete and accurate to prevent revised attachments and to reduce follow-up communications from DOA.

Continued on next page

Attachments - Overview, Continued

No revision control logs

The purpose of this year's Attachment HE-1 is to provide any revisions to the prior year's Attachment HE-15 submission regarding FY 2014 Off-Balance Sheet Financial Obligations. The current year's Attachment HE-15 is to provide similar information for FY 2015 and any revisions to this attachment will most likely be requested in next year's Attachment HE-1. Therefore, the current year's Attachments HE-1 & HE-15 do not include a RCL tab.

Attachments HE-2 and HE-6 are informational attachments and do not include a RCL tab. The Attachment HE-2 is to obtain contact information to update DOA's contact listing for the directive. The Attachment HE-6 is an informational attachment regarding the GASBS No. 14/GASBS No. 39/GASBS No. 61 checklist and does not include a RCL tab. If this attachment requires revision after the original submission, a revised attachment can be sent to DOA with an explanation in the email as to why the revision is needed.

The Attachments HE-10, HE-12, and HE-14 do not have a RCL tab. A complete and accurate Attachment HE-10, HE-12, and HE-14 should be submitted by the applicable due date and **revised attachment submissions are not allowed**. Institutions should ensure that internal controls are in place to ensure the preparation of these attachments are completed by the applicable due dates so that the **first and only submission of these attachments are complete and accurate**.

Certification tab

Most attachments have a Certification tab. The purpose of this tab is to certify that all tabs and any additional information submitted along with the attachment is as follows:

- Complete and accurate;
- Reviewed;
- Segregation of duties exist between the preparer & reviewer; and
- Instructions were read and are understood.

Institutions should ensure that there is sufficient time for an adequate and complete review of the attachments before the submission due dates because this is an important internal control.

Supplemental Information

Tier III institutions

Tier III institutions (institution #s: 204, 207, 208, 209, 229, 236, 246, 268, and 948) must provide the following by institution # to DOA by **July 27, 2015**, for fiscal year-end June 30, 2015:

- **Item 1a (see Note A):** Total expenditures for fiscal year to date for all funds and personal service cost expenditures in object code 11xx. (Previously reported on the CARS 1439 Option A2 report, Agency YTD Expenditure Funding Analysis, as of fiscal year-end)
- **Item 1b (see Note A):** Net expenditures by institution for fiscal year to date for selected object codes 1297, 1397, 1597, 2197, 2297, and 2397 by fund/fund detail. (Previously reported on the CARS ACTR 1436 report, State Net Expenditures By Agency, Selected Object 1297, 1397, 1597, 2197, 2297, and 2397)
Note A: If the net expenditures reported on CARS for fiscal year-end June 30, 2015, for these object codes are complete and accurate, DOA should be able to use CARS reports for this information. Otherwise, Supplemental Items 1a and 1b must be submitted. In either case, the Tier III institution must let DOA know whether to obtain this information from CARS or whether it will be provided separately.
- **Item 2:** Net revenue by fund for fiscal year to date recorded in revenue source codes 09071, Recovery of Statewide Indirect Cost Grant/Contract Administration, 09073, Recovery of Higher Education Institution Indirect Cost Grant/Contract Administration, 09076, Recovery of Statewide Indirect Cost Grant/Contract Administration – ARRA, and 09077, Recovery of Agency Indirect Cost of Grant/Contract Administration – ARRA. (Previously reported on the CARS 1673, Net Revenue Fund Report as of fiscal year-end)
- **Item 3:** Listing of expenditures, where the payment has been made to other state agencies/institutions. Include in the listing the fiscal month the expenditure was recorded, your institution's number, the transaction amount, fund/fund detail, program/subprogram, revenue source code, object code, and agency/institution name that the payment was made to.

All institutions

Item 4: Provide description, fund/fund detail, revenue source code or expense program, and amount to DOA by **July 27, 2015**, if the institution received any of the following that offset the cost of goods and services purchased by the institution during fiscal year 2015: 1) Purchase discounts, 2) Rebates or allowances, 3) Recoveries or indemnities on losses, 4) Insurance refunds or rebates, or 5) Adjustments of overpayments or erroneous charges.

Questions regarding Items 1a to 4

Contact Penny Williams at (804) 225-3804 or Penny.Williams@doa.virginia.gov if you have any questions regarding the supplemental information items 1a, 1b, 2, 3, and 4.

Continued on next page

Supplemental Information, Continued

The College of William and Mary (CWM)

Item 5: The following is due to DOA by **September 21, 2015**: Supporting schedules for the Statement of Net Position and Statement of Activities that include amounts for CWM, Virginia Institute of Marine Science, Richard Bland College, blended component units (if any), and elimination entries of significant intrafund balance/activity amounts.

Virginia Community College System

Item 6: The following is due to DOA by **September 23, 2015**: Supporting schedules for the Statement of Net Position, Statement of Activities, and elimination entries of significant intrafund balance/activity amounts.

All institutions

Item 7 – SNP & SRECNP: The Attachment HE-10 instructions require that each institution provide a copy of the Statement of Net Position (SNP) and the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) that were used to prepare the reconciliation tabs. **The SNP & SRECNP must be submitted electronically along with the Attachment HE-10 submission.** This submission can be in a Word, Excel, or PDF file. This requirement does not apply to institutions that do not issue individually published financial statements.

Applicable institutions

If applicable, the Supplemental Information Items 7a & 7b must also be submitted along with the Attachment HE-10 submission:

Net receivable differences (HEI only)

Item 7a, Receivable Reconciliation (HEI only): The Attachment HE-10 instructions require that if the total of the net receivable amount reported on the Attachment HE-10 TAB 2 Part 1 plus other receivable/due from Attachment HE-10 FST amounts do not agree to the net receivables reported in DOA's accounts receivable system as of June 30, 2015, a reconciliation must be provided. The Supplemental Item 7a is a separate Excel file available on DOA's website. This must be submitted along with the Attachment HE-10 submission. As a reminder, accounts receivable data must be entered into DOA's accounts receivable system by the Attachment HE-10 due date.

Continued on next page

Supplemental Information, Continued

Derivative instruments at year-end (HEI only)

Item 7b, Derivative Instruments as of June 30, 2015 (HEI only): The Attachment HE-10 instructions require that if the HEI has derivative instruments as of June 30, 2015, Supplemental Item 7b must be submitted along with the Attachment HE-10 submission. The Supplemental Item 7b is a separate Excel file available on DOA's website.

UVA, VCU, VCUHSA

Item 7c – 9d Bonds Payable (issued by Institution – Institutional Debt) Information for all series: The following is due to DOA along with the Attachment HE-10 submission:

- Future principal and interest payments by fiscal year for each series* (rounded to the nearest dollar)
- Interest rates for each series (fixed rate series: interest rate range – lowest to highest/variable rate series: effective interest rate as of June 30, 2015)

*The amounts provided should agree to the amounts reported in the Attachment HE-10 TAB 5 Part 4 as well as the amounts that will be included in the institution's applicable footnote in Supplemental Item 8, Final Individually Published Financial Statements, for these series.

Item 7d – 9d Bonds Payable (issued by Institution – Institutional Debt) Information for new issues only: The following is due to DOA along with the Attachment HE-10 submission, if applicable:

- For new series (issued during fiscal year 2015): Debt service payment schedules that include all principal and interest payment amounts by payment due date and includes the interest rates for each payment.

Note: Supplemental items 7c and 7d exclude 9d Bonds Payable (Issued through DOT-9d) reported on the Attachment HE-10 TAB 5 Part 1 because principal and interest payments for this type of debt will be obtained from the Department of Treasury.

Supplemental Information, Continued

ODU

Item 7e – Adjusting Journal Entries – VCSFA & ODU Research Foundation: The following is due to DOA along with the Attachment HE-10 submission: Provide adjusting journal entries (AJEs - rounded to the nearest dollar) for the Virginia Commercial Space Flight Authority’s Attachment CU4 and the Old Dominion University’s Attachment HE-10 Combining FST for the ODU Research Foundation for CAFR reporting so assets will not be overstated and due tos/due froms in the CAFR will equal. If AJEs are not needed for FY 2015, provide an explanation as to why AJEs are not needed.

All institutions

Item 8 – Final Individually Published Financial Statements: The Attachment HE-13 instructions require that each institution provide to DOA and APA an electronic copy of the final individually published financial statements to include the following: Management’s Discussion and Analysis, SNP, SRECNP, Statement of Cash Flows, and Notes to the Financial Statements. **This must be submitted along with the Attachment HE-13 submission.** This submission can be in a Word, Excel, or PDF file. This requirement does not apply to institutions that do not issue individually published financial statements.

Only if requested by DOA: CWM, UVA, VCU, VPI&SU

Item 9 – Investment & Variable Rate Debt Subsequent Disclosure: This is due to DOA by **November 16, 2015**, only if requested by DOA in a separate communication.

Submission Requirements

E-mail addresses to send to DOA & copy APA

Except as noted in instructions for specific attachments or supplemental information items, DOA **requires** the institution to e-mail the attachments*, and/or supplemental information to DOA's e-mail address at:

finrept-HE@doa.virginia.gov and copy APA at APAFinRept@apa.virginia.gov.

DOA will e-mail a confirmation of receipt for each electronic submission. Institutions should follow-up with DOA if the institution does not receive a confirmation. **Institutions should not submit paper copies of e-mailed attachments.**

DOA will also notify institutions if a submission is deemed unacceptable and rejected by DOA. In these instances, the institution will be provided a new due date to resubmit the information in a manner that adequately addresses the issues noted by DOA.

Note*: Submission instructions for the Attachment HE-13 are different. There are two submission requirements for this attachment as follows: 1) Notarized statement – goes to APA only (either mail the notarized statement or e-mail a PDF file of the notarized statement), and 2) Final individually published financial statements (Supplemental Information Item 8) goes to APA **and** DOA in an electronic format via e-mail.

E-mail problems – after normal work hours

If you try to submit an attachment or supplemental information after normal work hours on the due date and the e-mail does not go through, you do not have to continue to try and send the e-mail. Contact DOA the next morning.

Additional submission requirements – supplemental information

For the supplemental information submissions, include the following information within the text of the e-mail:

- Institution name or acronym
- Contact name, phone #, e-mail address
- Name of preparer*
- Name of reviewer*
- Description of the supplemental information

The filename for the supplemental information should be the institutions' acronym – Supplemental Item # (i.e., VCCS – Supplemental Item 6).

Note*: There should be a segregation of duties; therefore, the preparer and reviewer should not be the same individual for any submission. By typing a name, the individual is certifying that the supplemental information submission is complete, accurate, reviewed, and the preparer and reviewer were not the same individual.

Supporting Work Papers

Introduction

Each institution must prepare supporting work papers that clearly support any attachment or supplemental information submitted to DOA.

Guidelines for financial statement template work papers

Work papers for the financial statement template (Attachment HE-10) should include any year-end adjusting entries and support of the financial statement template for the HEI, combining FST for the foundations, the applicable footnote/informational tabs, and any elimination entries. In addition, the reconciliation between the financial statement template and the individually published financial statements must be properly documented and supported. Below are some selected preparation requirements:

- Reconcile work papers to the internal accounting system.
 - Provide an adequate audit trail so the work papers may be tested to ensure the accuracy of the amounts presented.
 - Have work papers ready for review by the APA as soon as possible after year-end close, but not later than the submission of the associated statements, schedules and attachments.
-

Suggested work papers

The following is a list of suggested work papers and is not all-inclusive:

- Trial balances for all funds;
 - An itemized listing of capital assets as of year-end which reconciles to the institution's internal accounting system; and
 - A detailed reconciliation of institution debt balances to Department of Treasury audit confirmation schedules.
-