

Office of the Comptroller Directive No. 2-16

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Office of the Comptroller Directive No. 2-16

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.
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Effective date

This is effective for fiscal years ended June 30, 2016, and thereafter.

This Directive rescinds and replaces Office of the Comptroller's Directive No. 2-15, "*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

Sara Page
Senior Financial Reporting Analyst
Phone: (804) 786-7014
E-mail: Sara.Page@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. Cardinal users are notified via the Cardinal Message 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 (new)	HEI	Attachments and Survey	July 11
HE-1a* (formerly HE-1)	HEI	FY 2015 Off-Balance Sheet Financial Obligations – Update	July 11
HE-2	HEI	Contact Survey	July 11
HE-2a	HEI/Foundation	Related Parties (formerly Survey)	July 18
HE-3	HEI/Foundation	Beginning Net Position Reconciliation	July 21
n/a	Tier III HEIs	Supplemental Information Items 1a, 1b, 2, 3	July 28
n/a	All HEIs	Supplemental Information Item 4	July 28
HE-4*	HEI	On-Behalf Payments	August 4
HE-5	HEI	Optional Retirement Plans	August 4
HE-6*	HEI	<u>GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 & 61</u>	August 4
HE-7	HEI	Federal Schedules	August 18
HE-8	HEI	Appropriation Available and Appropriation Revenue	August 25
HE-9	HEI	Treasury’s Reimbursement Programs	September 8
HE-10	HEI/Foundation HEI-if applicable	Financial Statement Template, Supplemental Information Item 7, Supplemental Information Items 7a – 7e	Staggered
HE-10a	HEI	<u>GASBS No. 68</u> Entries	Staggered
HE-11	HEI	Schedule of Cash, Cash Equivalents, and Investments as of June 30	Staggered
HE-12	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 14
HE-14	HEI/Foundation	Subsequent Events	November 14
HE-15	HEI	FY 2016 Off-Balance Sheet Financial Obligations	January 12, 2017

Note*: Previously, Attachments HE-1a, HE-4, and HE-6 were submitted by all institutions. The **new** Attachment HE-1, Attachments and Survey, has questions to determine if the institution must submit Attachments HE-1a, HE-4, and HE-6.

Due Dates, Continued

Staggered due dates

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

Attachment HE-10, HE-10a SNP & SRECNP (Supplemental Information Item 7) Supplemental Information Items 7a-7e, if applicable Data entered into Accounts Receivable System	Attachment HE-11	Attachment HE-12 HE-13 Final Individually Published F/S (Supplemental Information Item 8)	HEI acronyms
September 15	September 20	September 29	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 19	September 22	October 3	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
September 21	September 26	October 5	CWM*, 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, 2016**. Guidance for preparation and submission of this certification may be obtained from the following: CAPP Topic No. 10305, *Internal Control*, on DOA's website at http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics_Cardinal/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.

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:
Prior year correcting adjusting journal entries (AJEs) &
Prior year Attachment HE-10a, GASBS No. 68 Entries

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 and GASBS No. 68 entries. 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-1, HE-2a, HE-3, HE-4, HE-5, HE-7, HE-8, HE-9, HE-10a, 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 10 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-1a is to provide any revisions to the prior year's Attachment HE-15 submission regarding FY 2015 Off-Balance Sheet Financial Obligations. The current year's Attachment HE-15 is to provide similar information for FY 2016 and any revisions to this attachment will most likely be requested in next year's Attachment HE-1a. Therefore, the current year's Attachments HE-1a & 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 28, 2016**, for fiscal year-end June 30, 2016:

- **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, 2016, 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 28, 2016**, if the institution received any of the following that offset the cost of goods and services purchased by the institution during fiscal year 2016: 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.

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Supplemental Information, Continued

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.

The College of William and Mary (CWM)

Item 5: The following is due to DOA by **September 21, 2016:** 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 21, 2016:** 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, 2016, 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, 2016 (HEI only): The Attachment HE-10 instructions require that if the HEI has derivative instruments as of June 30, 2016, 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.

Applicable institutions

Items 7c and 7d are applicable to institutions that have a June 30, 2016, amount reported in the Bonds Payable (issued by Institution-Institutional Debt) category in the Attachment HE-10 TAB 5, LT Liabilities, Part 1.

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, 2016)

*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 2016): 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.

Continued on next page

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 2016, 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 14, 2016**, 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.

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.
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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.
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Comptroller's Directive No. 2-16
Attachment HE-1
Attachments and Survey

Purpose

This **new** attachment has a **TAB 1, Attachments**, to determine if the following attachments must be submitted: Attachments HE-1a, FY 2015 Off-Balance Sheet Financial Obligations – Update; Attachment HE-4, On-Behalf Payments; and Attachment HE-6, GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 & 61.

In addition, the TAB 1, Attachments, and the **Foundations&Entities-included** tab are to provide information regarding foundations/entities to be included in the Attachment HE-10, Financial Statement Template, for fiscal year 2016. TAB 1, Attachments, and the **Foundations&Entities-excluded** tab are to provide information regarding foundations/entities to be excluded from the Attachment HE-10, Financial Statement Template, for fiscal year 2016.

This attachment also has a **TAB 2, Survey**, to provide general information regarding the following: deferred outflows of resources, deferred inflows of resources, GASBS No. 72, Fair Value Measurement and Application, and demand bonds and callable bonds because of debt violations.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 11, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-1
Attachments and Survey

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-1. For example, VCCS should rename the Attachment HE-1.xlsx* file as VCCS Attachment HE-1.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

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 (RCL) 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** tab.

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.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates. Include "REVISED – date" in the subject line of the e-mail as well as in the file name.

Comptroller's Directive No. 2-16 Attachment HE-1 Attachments and Survey

TAB 1, Attachments

Part 1 in this tab includes questions that were previously included in other attachments as shown below:

- Attachment HE-1a (formerly Attachment HE-1), FY 2015 Off-Balance Sheet Financial Obligations – Update: Part 1
- Attachment HE-4, On-Behalf Payments: Part 1
- Attachment HE-6, GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 & 61: Parts 1, 2a, 2b

Questions 1 to 4 are to determine if Attachments HE-1a, HE-4, and HE-6 will have to be submitted. For example, if there are “no” answers to the first four questions in Part 1, Attachments HE-1a, Attachment HE-4, and Attachment HE-6 would not have to be submitted.

Question 5: This question is to determine if any changes are needed to the list of foundations/entities that will be included in the Attachment HE-10, Financial Statement Template, for fiscal year 2016. This attachment includes a **Foundations&Entities-included** tab that includes a listing of foundations/entities that were included based on last year’s FY 2015 Attachment HE-6 Part 2a. The institution can select the institution’s acronym and if changes are needed for the foundations/entities listed for the institution, the changes can be provided in the space provided in the TAB 1, Attachments, under question 5.

Question 6: This question is to determine if the institution has foundations/entities that will be excluded from the Attachment HE-10, Financial Statement Template, for FY 2016. If the institution has foundations/entities that will be excluded, the **Foundations&Entities-excluded** tab must be completed. This tab is similar to the prior year’s Attachment HE-6 Part 2b.

After completing Part 1, Part 2 will show a summary of the attachments that must be submitted.

Comptroller's Directive No. 2-16
Attachment HE-1
Attachments and Survey

**TAB 2,
Survey**

This tab includes questions for the higher education institution (excluding foundations) regarding the following:

- **Part 1: Deferred Outflows of Resources and Deferred Inflows of Resources:** This part is to indicate the type of deferred outflows of resources and deferred inflows of resources the institution expects to report for fiscal year 2016. This is similar to the prior year's GASBS 65-HEI tab previously included in the Attachment HE-2a, Survey, except it includes GASBS No. 65 and other categories.
 - **Parts 2a to 2c: GASBS No. 72, *Fair Value Measurement and Application*, GASBS No. 72** is effective for fiscal year 2016. This part is to indicate if the institution expects to have items to be reported at fair value, permitted to be reported at net asset value per share (or its equivalent), and/or acquisition value per GASBS No. 72 for fiscal year 2016.
 - **Parts 3a & 3a: Demand Bonds & Callable Bonds because of Debt Violations:** This part is to provide information regarding demand bonds and callable bonds because of debt violations.
-

Comptroller's Directive No. 2-16
Attachment HE-1a
FY 2015 Off-Balance Sheet Financial Obligations - Update

Purpose

During the 2007 General Assembly Session, legislation was passed (*Code of Virginia*, §[2.2-813.2](#)) requiring the State Comptroller to report off-balance sheet financial obligations of the Commonwealth. Last year's Attachment HE-15, FY 2015 – Off-Balance Sheet Financial Obligations, was to obtain off-balance sheet information for FY 2015 and was submitted in January 2016. Last year's Attachment HE-15 did not have a revision control log, and this attachment is to verify that nothing has come to your attention that would require revisions to the amounts submitted in last year's Attachment HE-15. This attachment is similar to the prior year Attachment HE-1.

Applicable institutions

Institutions must complete this attachment only if they have changes to the prior year Attachment HE-15, FY 2015 – Off-Balance Sheet Financial Obligations. This attachment does not apply to obligations of the foundations that are a discrete component unit of the institution as required by GASBS No. 39.

Due date

July 11, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-1a
FY 2015 Off-Balance Sheet Financial Obligations - Update

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-1a. For example, VCCS should rename the Attachment HE-1a.xlsx* file as VCCS Attachment HE-1a.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Att 1a Tab

This tab is similar to a revision control log for the prior year's submission.

Comptroller's Directive No. 2-16
Attachment HE-2
Contact Survey

Purpose

This attachment will provide DOA with the institution contact information. This attachment is similar to the prior year's Attachment HE-2.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 11, 2016

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-2. For example, VCCS should rename the Attachment HE-2.xlsx* file as VCCS Attachment HE-2.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Comptroller's Directive No. 2-16
Attachment HE-2
Contact Survey

**Completing the
attachment**

Part 1) Required Information: Enter the contact information for the institution head and the fiscal officer as shown on the agency signature card submitted annually to DOA. Also enter the contact information for the directive contact person.

Part 2) Optional Information: An additional contact person can be listed in the space provided. This is optional and does not have to be completed. This was added because some institutions requested an additional person be copied on directive e-mail correspondence from DOA.

Part 3) Auditor Contact Information: This part is to document whether the Auditor of Public Accounts (APA) will audit the institution for fiscal year 2016. Auditor contact information must be provided if APA will not be the auditor.

Comptroller's Directive No. 2-16
Attachment HE-2a
Related Parties

Purpose

This attachment is to provide information regarding related parties. This attachment is similar to the prior year's Attachment HE-2a except the GASBS 65-HEI tab has been deleted. This attachment includes the following tabs:

- **Related Parties-HEI**
- **Related Parties-Foundations**

These tabs provide information regarding related parties and are needed by the Auditor of Public Accounts (APA) for audit planning purposes. This attachment should only be submitted to APA.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 18, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-2a
Related Parties

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-2a. For example, VCCS should rename the Attachment HE-2a.xlsx* file as VCCS Attachment HE-2a.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically ONLY to APA at:
APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Attachment revisions

If attachment revisions are made subsequent to submission to APA, resubmit the revised attachment AND complete the Revision Control Log tab (RCL) 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.

Each time a revision is submitted the Certification tab should be updated with new signatures and dates. Include "REVISED – date" in the subject line of the e-mail as well as in the file name.

Comptroller's Directive No. 2-16
Attachment HE-2a
Related Parties

**Completing
Related
Parties tabs**

GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, modified the definition of a related party to incorporate relationships with related organizations, joint ventures, and jointly governed organizations. The **Related Parties-HEI** tab is to provide information regarding related organizations, joint ventures, jointly governed organizations, and any other party if either the HEI* or the other party can significantly influence the management or operating policies of the other. (Note: This excludes any foundation/entity** that is reported as a discrete component unit of the institution). The **Related Parties-Foundations** tab is to provide information regarding related organizations, joint ventures, jointly governed organizations, and any other party if either the foundations/entities** or the other party can significantly influence the management or operating policies of the other.

Related Parties-HEI tab: Institutions must answer the following question: Is your HEI* involved in a joint venture or a relationship with a related organization or a jointly governed organization? If yes, the name of the related party and the nature of the relationship as well as the estimated dollar amounts of FY 2016 transactions must be provided. Additional information may be requested, including year-end due to/from amounts, in a separate communication.

Note*: "HEI" includes the higher education institution and any blended component units.

Related Parties-Foundations tab: Institutions must answer the following question: Is any of the foundations/entities** involved in a joint venture or a relationship with a related organization or a jointly governed organization? If yes, the name of the foundation/entity**, name of the related party and the nature of the relationship as well as the estimated dollar amounts of FY 2016 transactions must be provided. Additional information may be requested, including year-end due to/from amounts, in a separate communication.

Note**: "Foundations/entities" include foundations/entities expected to be included in the Attachment HE-10, Financial Statement Template, as a discrete component unit of the HEI.

See definitions for related organizations, joint ventures, and jointly governed organizations in the next section.

Comptroller's Directive No. 2-16
Attachment HE-2a
Related Parties

**Related
Parties tabs -
definitions**

Related organization: Related organizations are identified as a related organization because the primary government* appoints a voting majority of the board; however, it is not considered a component unit of the primary government because there is no financial benefit/burden relationship and the primary government is unable to impose its will on the organization as defined in GASBS No. 14. (Note*: The HEI is considered the primary government when completing the Related Parties-HEI tab. The foundations/entities are considered the primary government when completing the Related Parties-Foundations tab.)

Joint venture: GASBS No. 14 defines a joint venture as a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

Jointly governed organizations: Per GASBS No. 14, states may create regional governments or other multigovernmental arrangements that are governed by representatives from each of the governments that create the organization. These organizations may appear similar to joint ventures – they provide goods or services to the citizenry of two or more governments – but many do not meet the definition of a joint venture because there is no ongoing financial interest or responsibility by the participating governments.

Refer to GASBS No. 14, *The Financial Reporting Entity*, for additional information regarding definitions.

Comptroller's Directive No. 2-16
Attachment HE-3
Beginning Net Position Reconciliation

Purpose

This attachment will provide explanations for any restatement of the beginning net position amount. This reconciles the prior year ending net position amount reported on the FY 2015 Attachment HE-10, Financial Statement Template (including correcting and GASBS No. 68 AJEs), to the beginning net position amount that will be reported on the FY 2016 Attachment HE-10, Financial Statement Template. This attachment has TAB 1 to record the amount for the higher education institution (HEI) and TAB 2 to record the amount for the combined total of the foundations. This attachment is similar to the prior year's Attachment HE-3.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 21, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

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 includes prior year ending balance restatements due to errors. It is possible that significant errors resulting in financial statement template adjustments, including prior year ending balance restatements, could result in either material internal control weaknesses or even a modified opinion on the Commonwealth's Comprehensive Annual Financial Report (CAFR). Internal controls should be in place to prevent material restatements because of prior year errors.

Comptroller's Directive No. 2-16
Attachment HE-3
Beginning Net Position Reconciliation

**Changes from
the prior year**

Since this is the second year of implementation of GASBS No. 68, as amended by GASBS No. 71, this category has been deleted.

The following GASB statements are effective for the Commonwealth for fiscal year 2016:

- **GASBS No. 72**, *Fair Value Measurement and Application*, and
- **GASBS No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*,

Portions of the following GASB statements are effective for the Commonwealth for fiscal year 2016:

- **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, and
- **GASBS No. 79**, *Certain External Investment Pools and Pool Participants*.

If the institution has restatements as a result of implementing new GASB statements, these restatements should be listed separately in the Changes in Reporting section on the TAB 1, HEI, with a description, including the GASB statement #, and the restatement amount.

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-3. For example, VCCS should rename the Attachment HE-3.xlsx* file as VCCS Attachment HE-3.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

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Comptroller's Directive No. 2-16
Attachment HE-3
Beginning Net Position Reconciliation

**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 (RCL) in the attachment Excel file.**

Enter the revision date, tab name, 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.

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Comptroller's Directive No. 2-16
Attachment HE-4
On-Behalf Payments

Purpose

DOA must include disclosures for on-behalf payments in the CAFR footnotes. GASBS No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, defines on-behalf payments for fringe benefits and salaries as: Direct payments made by one entity (the paying entity) to a third-party recipient* for the employees of another, legally separate entity (the employer). On-behalf payments include:

- Pension plan contributions,
- Employee health and life insurance premiums, and
- Salary supplements or stipends.

This attachment is similar to the prior year's Attachment HE-4, except the prior year's question in Part 1 is included in the new Attachment HE-1, Attachments and Survey.

Note*: The glossary in GASBS No. 24 defines third-party recipient as follows: "For purposes of on-behalf payments for fringe benefits and salaries, the individual or organization that receives the payment - for example, an employee who receives a salary supplement or a pension plan that receives pension contributions."

Applicable institutions

Institutions must complete this attachment only if they have on-behalf payments.

Due date

August 4, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-4
On-Behalf Payments

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-4. For example, VCCS should rename the Attachment HE-4.xlsx* file as VCCS Attachment HE-4.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

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Attachment revisions

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Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates. Include "**REVISED – date**" in the subject line of the e-mail as well as in the **file name**.

Comptroller's Directive No. 2-16
Attachment HE-4
On-Behalf Payments

Revenue and expenses

The employer should recognize revenue and expenses for on-behalf payments for:

- Fringe benefits and salaries equal to the payments received, and
- Fringe benefits and salaries that are receivable at year-end for the current fiscal year.

Governmental colleges and universities are required to report the effect of on-behalf contributions to retirement systems as part of the college or university operations.

Footnotes

The employer should disclose the amounts recognized for on-behalf payments for fringe benefits and salaries in the financial statement notes.

For on-behalf payments that are contributions to a pension plan for which the employer government is not legally responsible, the employer government should disclose:

- The name of the plan, and
 - The name of the entity making the contribution.
-

Significant intrafund activity

Significant Intrafund Activity Amounts: Some on-behalf payments are from foundations/entities considered discrete component units of the higher education institution under GASBS No. 39. If these amounts are significant, they must be eliminated on the Elimination Entries to FST tab in the Attachment HE-10, Financial Statement Template, to avoid double counting activity. The last column on this attachment in Part 1 asks whether any amounts on this attachment will be eliminated.

Note: Significance must be determined by each higher education institution using professional judgment.

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Comptroller's Directive No. 2-16
Attachment HE-5
Optional Retirement Plans

Purpose

DOA includes certain disclosures for optional retirement plans of higher education institutions in the Commonwealth's Comprehensive Annual Financial Report (CAFR) footnotes. This attachment is to obtain defined contribution plan disclosures required by GASBS No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, for the Higher Education Optional Retirement Plan 1 and Plan 2 (ORP Plan 1 and Plan 2). In addition, this attachment is to provide general information regarding other optional retirement plans and deferred compensation plans for the CAFR footnotes. This attachment is similar to the prior year Attachment HE-5.

The Virginia Retirement System (VRS) Hybrid Retirement Plan (Hybrid Plan) includes defined benefit plan and defined contribution plan components. Contributions to the Hybrid Plan **should not** be reported in this attachment because CAFR footnote disclosures will be provided by VRS.

Note: This attachment should **exclude** amounts for foundations/entities considered discrete component units of the HEI. As noted above, this attachment should also **exclude** contributions to the Hybrid Plan.

Applicable institutions

All institutions **must** complete this attachment.

Due date

August 4, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-5
Optional Retirement Plans

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-5. For example, VCCS should rename the Attachment HE-5.xlsx* file as VCCS Attachment HE-5.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

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Comptroller's Directive No. 2-16
Attachment HE-5
Optional Retirement Plans

**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 (RCL) 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.

Each time a revision is submitted the Certification tab should be updated with new signatures and dates. Include "REVISED – date" in the subject line of the e-mail as well as in the file name.

Comptroller's Directive No. 2-16
Attachment HE-5
Optional Retirement Plans

ORP
Plan 1 & Plan 2

Parts 1a to 1i are to obtain GASBS No. 68 defined contribution plan disclosures for the ORP Plan 1 and Plan 2 (refer to GASBS No. 68 for authoritative guidance). Below is a description of these parts:

- **Part 1a) Optional Retirement Plans – Plan 1 and Plan 2:** This part is to indicate if the HEI participates in the ORP Plan 1 and Plan 2 described in Part 1a. If the HEI answers “yes,” Parts 1b to 1i must be answered regarding the ORP Plan 1 and Plan 2. If the HEI answers “no,” skip Parts 1b to 1i and continue to Part 2a.
 - **Part 1b) Wording:** This part is to confirm wording in Part 1a that describes the plans or provide revisions to the wording if needed.
 - **Part 1c) Pension Expense:** This part is to provide fiscal year 2016 pension expense recognized in accordance with GASBS No. 68.
 - **Part 1d) Outstanding Liability:** This part is to indicate if there is an employer’s liability outstanding as of year-end, if any, that must be disclosed in accordance with GASBS No. 68 and provide the amount and FST line item it will be reported on.
 - **Part 1e) Vesting and Forfeitures:** This part is to indicate if the wording in Part 1e regarding vesting and forfeitures is correct or provide certain information related to vesting and forfeitures if the wording needs revisions.
 - **Part 1f) Nonemployer contributing entities:** This part is to indicate if there were any nonemployer contributing entities as defined in GASBS No. 68.
 - **Part 1g) Actual/Required Contributions:** This part is to indicate if actual contributions equal required contributions.
 - **Part 1h) Authority:** This part is to indicate the authority for participation in the plans.
 - **Part 1i) Base Salary:** This part is to provide the base salary amount used to calculate the fiscal year 2016 contributions.
-

Comptroller's Directive No. 2-16
Attachment HE-5
Optional Retirement Plans

Other optional retirement plans

Parts 2a to 2c are to obtain general information regarding other optional retirement plans not described in Part 1a. For the CAFR footnote, DOA will refer to the institution's individually published financial statements for information regarding these other optional retirement plans.

- **Part 2a) Other Optional Retirement Plans:** This part is to indicate if the HEI participates in other optional retirement plans not listed in Part 1a. If the HEI answers "yes," Part 2b must be answered. If the HEI answers "no," skip Parts 2b and 2c and go to Part 3.
 - **Part 2b) List of Other Optional Retirement Plans:** If "yes" to Part 2a, Part 2b is to confirm whether the draft CAFR footnote wording provided in Part 2b lists the other optional retirement plans the HEI participates in is complete and whether the wording is correct.
 - **Part 2c) Other Optional Retirement Plans Not Listed and/or Revised Wording:** If "no" to Part 2b, provide the name and description of other optional retirement plans not listed in Part 2b and/or provide revised wording if needed.
-

Deferred compensation plans

Parts 3 and 3a are to obtain general information regarding deferred compensation plans.

- **Part 3) Deferred Compensation Plans:** This part is to indicate if the draft CAFR footnote for FY 2016 is accurate and complete and to provide employer contributions for FY 2016.
 - **Part 3a) Deferred Compensation Plans – UVA only:** This part is to indicate if the draft CAFR footnote for FY 2016 is accurate and complete for the UVA Medical Center and to provide employer contributions for FY 2016.
-

Reasonableness

Part 4 is a question regarding reasonableness of information reported on the attachment.

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Comptroller's Directive No. 2-16
Attachment HE-6
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 & 61

Purpose

This attachment includes a checklist used to evaluate, based on GASBS No. 14 modified to reflect GASBS No. 39 and GASBS No. 61 criteria, an organization, foundation, or commission for possible inclusion as a component unit in the Commonwealth's Comprehensive Annual Financial Report. If an organization, foundation, or commission is determined to be a component unit, this attachment will also evaluate the method of disclosure. For additional information see the **Additional Information: Attachments HE-6 & HE-10 – TAB 7 Part 21 regarding GASBS No. 61** document available on DOA's website and refer to GASBS No. 14 as revised by GASBS No. 39 and GASBS No. 61. For additional information regarding GASB Statements, refer to the GASB website at www.gasb.org.

This attachment contains significant changes from the prior year's Attachment HE-6 because the prior year's Part 1, Summary, and Parts 2a and 2b regarding foundations/entities included or excluded from the financial statement template has been moved to the new Attachment HE-1, Attachments and Survey.

Applicable institutions

Institutions must complete this attachment only if the institution has any potential component units that were not previously analyzed in accordance with the GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61 or if an existing or potential component unit experienced a change that may affect its classification. All institutions completing this attachment must complete the following:

- **Part 1, Checklist, and**
 - **Part 2, Certification**
-

Due date

August 4, 2016

Comptroller's Directive No. 2-16
Attachment HE-6
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 & 61

Certification

The **Certification** 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 part. By typing a name, the preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the word file, rename the file using the institution's acronym followed by Attachment HE-6. For example, VCCS should rename the Attachment HE-6.docx* file as VCCS Attachment HE-6.docx*. If the Part 1, Checklist, has to be completed for more than one potential component unit and/or previously reported component units, the filename should indicate the number of Attachment HE-6 submissions. For example, if VCCS has to analyze two potential component units, the filenames should be as follows:

- VCCS Attachment HE-6 – 1 of 2.docx
- VCCS Attachment HE-6 – 2 of 2.docx

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the attachment(s) electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the attachment(s).

Note*: If the institution has an earlier version of Word and has problems opening the file, DOA can provide the attachment saved in an earlier version of Word (.doc).

Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

Purpose

This attachment is used to provide DOA with the Federal Schedules needed to prepare the statewide **Schedule of Expenditures of Federal Awards (SEFA)** for the Single Audit Report.

The Single Audit Report is required for compliance with the Single Audit Act Amendments of 1996 and the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**, located in Title 2 of the Code of Federal Regulations at <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>.

It is imperative that institution personnel thoroughly review the uniform guidance to ensure an understanding of the institution's specific responsibilities. Institutions will also need to ensure that the appropriate federal guidance is applied to each specific federal award. Further, the institution should communicate the applicable requirements to subrecipients.

The Uniform Requirements became effective December 26, 2014, and apply, in general, to all new federal awards and incremental funding from the federal government after December 26, 2014. The standards set forth in Subpart F—Audit Requirements apply to audits of fiscal years beginning on or after December 26, 2014.

This attachment is similar to prior year Attachment HE-7.

Note: DOA will also use this information to complete the data collection form on the FAC website.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

Applicable institutions and requirements

All institutions must submit the Questionnaire file to DOA to:

- certify **whether** or **not** the institution received or disbursed Stimulus (ARRA);
- certify **whether** or **not** the institution received or disbursed Non-Stimulus Federal funds;
- provide information related to Hurricane Sandy;
- provide information related to loan programs;
- provide information for disbursements to subrecipients; and
- indicate whether or not the auditee elected to use the 10% de minimis indirect cost rate.

Each institution receiving or disbursing federal funds must report its DUNS number as well as its EIN number on the Questionnaire file. DUNS number information is available at <http://www.smallbusiness.dnb.com>. Contact Penny Williams at (804) 225-3804 or by email at penny.williams@doa.virginia.gov if you have questions.

If the institution received or disbursed Federal funds in FY 2016, the institution is **REQUIRED TO USE** the files listed below.

- Federal Schedules – used to prepare the applicable federal schedules
- Reconciliation – used to reconcile the Schedule of Expenditures of Federal Awards to the institution's accounting system.

Due date

August 18, 2016

Training

An online training session will be offered by DOA regarding this attachment. DOA will notify the institution's directive contacts when the sessions are available and how to access the sessions.

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 preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If institution staffing does not allow for a different preparer and reviewer, please contact DOA.**

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Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the files, rename the files using the institution number followed by the identifying file name. For example, institution 207 should rename the questionnaire file, federal schedule file, and reconciliation file as follows:

Note: **DO NOT** rename the tab names in the Excel files. Save the attachments with the following document names prior to submission:

207HE-7questionnaire.xlsx* (Questionnaire)

207HE-7federalschedules.xlsm* (Federal Schedules)

207HE-7recon-he.xlsx* (Reconciliation File)

DOA will not accept any Federal schedules that are not in the formats required by this Directive. Institutions that fail to use the required formats will be asked to resubmit the schedules to DOA and may be cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report). Noncompliance with the Directive could adversely affect an institution's ability to meet management standards.

Please include **Institution Number** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the files electronically to finrept-HE@doa.virginia.gov

Copy the APA via email to: APAFinRept@apa.virginia.gov.

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

***Note:** If the institution has an earlier version of Excel and has problems opening the files, DOA can provide the attachment saved in an earlier version of Excel (.xls).

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Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

**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 federal schedules file.**

Enter the revision date, applicable Excel file tab name, 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.

Entities that believe revisions are necessary to the federal schedules after the initial submission to DOA must contact Penny Williams **BEFORE** sending the revisions to DOA. See the Questions section below for contact information.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates. Include “**REVISED – date**” in the subject line of the email as well as in the **file name**.

**Resolution of
prior year
findings**

Institutions are required to provide corrective action work plans (CAW) in response to Auditor of Public Accounts published reports pursuant to the following:

CAPP Topic No. 10205, Agency Response to APA Audit, at http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics_Cardinal/10205.pdf

These CAWs are the basis of the resolution of prior year findings. Direct questions to Amanda Morris at amanda.morris@doa.virginia.gov or Rudy Burgess at rudy.burgess@doa.virginia.gov.

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Comptroller's Directive No. 2-16 Attachment HE-7 Federal Schedules

Questions

If the institution has any further questions about preparing the federal schedules or needs additional assistance, contact Penny Williams, Indirect Cost Coordinator, at (804) 225-3804 or email at penny.williams@doa.virginia.gov.

Federal schedules.xlsm

The federal schedules.xlsm workbook includes seven tabs within the workbook. The first six tabs contain different federal schedules and the fluctuation analysis from prior year amounts and the seventh tab is the revision control log. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow access to a specific tab. An overview of the seven federal schedule tabs and what should be reported on each tab is discussed in the next section.

For reporting purposes, Stimulus - American Recovery and Reinvestment Act (ARRA) federal expenditures must be accounted for separately from Non-Stimulus federal expenditures. Throughout the federal schedules attachment Stimulus federal expenditures will be referred to as Stimulus (ARRA) federal expenditures.

Within the six tabs of the federal schedules workbook there will be a column labeled with the symbols @, #, * which will be used to identify the following:

- @ - Research and Development (R&D)Non-Stimulus
- # - Stimulus (ARRA) federal expenditures
- * - Stimulus (ARRA) Research and Development

Build America Bonds (BABs) Fund subsidies recorded in CARS fund 1302 are excluded from SEFA reporting per OMB.

All National Science Foundation (NSF) awards should be reported as R&D clusters on the SEFA. Due to the transition period required to expend all previous awards, institutions must evaluate all NSF expenditures to determine whether the disbursements require inclusion as an R&D cluster or should be reported separately.

An error message will appear if you attempt to enter anything in this column other than the symbols indicated above or by leaving the cell blank. A blank cell indicates Non-Stimulus, Non-R&D federal expenditures.

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Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

Federal
schedules.xlsm
(continued)

Note: Institutions are now required to report amounts related to unknown CFDA numbers on the appropriate tab(s). **For Stimulus (ARRA) federal expenditures, institutions should not use the Program Name – Unidentified CFDA Number column** since all Stimulus programs have been assigned a specific CFDA number. For amounts with unknown CFDA numbers, institutions are required to report the federal program name and other identifying number (such as the contract number) on the last column in each tab. Institutions are to combine any unknown CFDA numbers, program names, or contract numbers that are identical. Unknown CFDA numbers that have R&D expenditures and expenditures other than R&D or the names and numbers are not identical should be the only reasons to include more than one line. It is expected that this column will primarily be used for subrecipient and pass through entities. Institutions must perform reasonable steps to determine the actual CFDA number before electing to report any amounts with unknown CFDA numbers.

At a minimum, institutions must contact the disbursing entity to determine the actual CFDA number before entering amounts without known CFDA numbers. Institutions should make every effort to include any contract numbers if applicable. Institutions failing to perform this minimum level of due diligence for amounts without actual CFDA numbers, **may be cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report)**.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

**Overview of
federal
schedules**

All Stimulus (ARRA) and Non-Stimulus expenditures, **excluding** BABs recorded in CARS fund detail 1302 and expenditures reported on the **RECEIVED FROM NONSTATE** tab, made from funds received directly from the Federal Government and federal expenditures/disbursements reported on all other tabs should be reported on the **SEFA** tab. **This distinction is made because expenditures reported on the RECEIVED FROM NONSTATE tab are classified as “Indirect” expenditures in the Statewide report and all other expenditures/disbursements are classified as “Direct” expenditures.**

Therefore, federal expenditures and/or disbursements reported on the **SEFA** tab plus the total federal expenditures and/or disbursements reported on the **RECEIVED FROM NONSTATE** tab should equal total federal expenditures for the institution. The individual tabs are discussed below:

1. **RECEIVED FROM STATE** tab – pass-through funds received from other state agencies/institutions should be reported on this tab. **ANY EXPENDITURE MADE FROM THESE FUNDS SHOULD BE INCLUDED ON THE SEFA TAB.**

2. **RECEIVED FROM NONSTATE** tab – pass-through funds received from Nonstate entities (**See definition of Nonstate entities on page 11**) and expenditures made from the funds received should be reported on this tab. **EXPENDITURE AMOUNTS REPORTED ON THE RECEIVED FROM NONSTATE TAB SHOULD NOT BE INCLUDED ON THE SEFA TAB.**

3. **DISBURSED TO STATE** tab – pass-through funds disbursed to other state agencies / institutions should be reported on this tab. **THESE DISBURSEMENTS SHOULD BE INCLUDED ON THE SEFA TAB.**

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Overview of federal schedules
(continued)

4. **DISBURSED TO NONSTATE** tab – pass-through funds disbursed to nonstate entities should be reported on this tab. **THESE DISBURSEMENTS SHOULD BE INCLUDED ON THE SEFA TAB.**
 5. **SEFA** tab – all expenditures/disbursements made by the institution, **except for expenditures reported on the RECEIVED FROM NONSTATE tab**, should be included on this tab.
 6. **FLUCTUATION ANALYSIS** tab – This tab provides a comparison of the prior year’s SEFA tab to the current year’s SEFA tab to identify any differences by major federal agency and requires an explanation whenever any differences are identified with a “YES” in the “Significant Variance” column.
 7. **REVISION CONTROL LOG tab** – All revisions should be listed on this tab.
-

Important Items-General

- Use the **cash basis** of accounting.
 - All attachment files **are designed so that you only need to fill in the yellow highlighted cells.**
 - Enter **whole dollar amounts** in all files to prevent rounding errors.
 - **Ensure all federal expenditures are recorded in the proper federal fund / fund details in CARS. Ensure you have notified General Accounting if you have received BABs and that all BABs activity is recorded in CARS fund detail 1302.**
 - If N/A appears in any cell you have keyed, you have entered invalid data and you should recheck what has been keyed. Please do not submit schedules with N/A unless you have discussed it with DOA first.
 - **It is important to make sure you have checked the www.cfda.gov website to ensure that all CFDA numbers are valid for the current SEFA. Please pay close attention to CFDA programs that have been deleted or changed to an alternate CFDA number.**
-

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

**Important
Items-Federal
schedules**

- If the CFDA number is entered and the incorrect Federal Program Name or Federal Program Grantor Name appears on any spreadsheet, **and you have verified the CFDA number is correct by checking the www.cfda.gov website**, please contact Penny Williams at (804) 225-3804 or Email at penny.williams@doa.virginia.gov for assistance.
- Unknown CFDA numbers are those numbers where the Federal grantor is known but the CFDA number is unknown. You must include the first two digits of the CFDA number. (For example, 10.000 would be used if the Federal Grantor is the U.S. Department of Agriculture, but the CFDA number is unknown.)
- **A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. For Stimulus (ARRA) federal expenditures, institutions should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.**

Note: In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.

- Do not complete the “Program Name-Unidentified CFDA Number” column when the Program name is already populated on the schedules.
- When changes are made to any schedule, make sure to submit the revised certification **and, if a revision is made to the SEFA tab**, submit a revised reconciliation. Also, please ensure the revision control log is completed for any changes made to the tabs on the federal schedules.xlsm file.
- Ensure you confirm pass through amounts received or disbursed with the receiving or disbursing agency/institution prior to submission to DOA. The amounts reported by the disbursing or receiving agency/institution should be the same in most cases. Discrepancies should be discussed with DOA prior to submission. Ensure you report the appropriate amounts and the appropriate designation as research/development or non-research/development.
- Ensure the reconciliation ties to the institution’s financial accounting system.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

**Important
Items-Federal
schedules**
(continued)

- Use the following symbols to indicate the appropriate type of expenditure:

Non-Stimulus	Stimulus(ARRA)
@ = Research and Development (R&D)	* = Stimulus (ARRA) Research and Development (R&D)
Use no symbol for Non-Stimulus, non-research and development	# - Stimulus (ARRA), non-research and development

- Running totals are located on each spreadsheet tab.
- Do not use “-“(dashes) to represent \$0.00. You must use the number “0.”
- Do not leave blank rows between rows of information within the spreadsheets when keying in data.
- Do not use abbreviations or include error messages or pennies on any schedules.
- Do not place the number “0” on any worksheets that do not contain federal expenditure data.
- The Federal Government is **not** a **Nonstate entity**. **Nonstate entities** are counties, cities, towns, local governments, local governmental authorities, regional governmental authorities, public or private foundations, institutes, museums, and corporations or similar organizations which are not units of State government or political subdivisions of the Commonwealth as established by general law or special act. **(DO NOT** report disbursements to or receipts from the Federal government on the **DISBURSED TO NONSTATE** and/or **RECEIVED FROM NONSTATE** tabs. Community service boards and area agencies on aging should be reported as nonstate agencies for reporting purposes. These agencies are not audited by the Auditor of Public Accounts and are not considered to be state agencies.
- **Do not include Federal subagencies on disbursed/received from nonstate tabs. Instead, ensure that all Federal award numbers or other identifying numbers are provided. Federal agencies are listed on the following websites:**

<http://www.nih.gov/icd/>
<http://www.nasa.gov/about/sites/index.html>
<http://www.energy.gov/organization/labs-techcenters.htm>

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Comptroller's Directive No. 2-16 Attachment HE-7 Federal Schedules

**Important
Items-Federal
schedules**
(continued)

- Pass-through disbursements to State or non-state entities should be reported as expenditures on the appropriate tab(s). **Do not eliminate any pass-through disbursements.** DOA eliminates pass-through transactions at a statewide level.
- Include indirect cost recoveries as expenditures on the **SEFA** tab
- Refunds of Federal revenue should **not** be reported on any of the Federal Schedules.
- In those instances where pass through funds are returned to the original granting agency/institution, the amount should be netted (since the receiving pass-through agency/institution did not expend them). Then, if the original agency/institution subsequently spends those funds, it should be reported on their individual agency's/institution's SEFA and would be counted in that manner for the Commonwealth federal schedules.
- **Sort and combine grant expenditures and program income expenditures to report the total expenditures for each Catalog of Federal Domestic Assistance (CFDA) number on a single line.**
- Add the value of nonmonetary disbursements to the monetary expenditures to determine the total expenditures for CFDA numbers that have both monetary and nonmonetary disbursements. **If the institution has nonmonetary disbursements, contact the individual listed in the Questions section on page 5.**
- Use the hard copy or online (www.cfda.gov) version of the Catalog to verify the CFDA numbers and program names.
- **Do not use CFDA number 00.000.** Contact the entity that provided the funds to determine the correct and complete CFDA number. At a minimum, each entity is required to identify the Federal grantor agency with the first two digits of the CFDA number (i.e., 10.000, 93.000).
- Do not report the expenditure detail for different grants within one CFDA number on the schedules. Instead, sum the expenditures and report the total expenditures for each CFDA number.
- *The Uniform Administrative Requirements, Cost Principles, and Audit Requirements* Section 200.87 defines research and development “as all research activities, both basic and applied, and all development activities that are performed by a non-profit organization.”
 - Research is a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development.
 - Development is the systematic use of knowledge gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

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Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

**Important
Items-Pass-
through
schedules**

Do not include payments to contractors under legal obligations for the purchase of goods and services on the pass-through schedules.

The medium through which payment is rendered (IAT, check, EDI, etc.) does not determine whether the relationship is contractor or subrecipient.

A **subrecipient** is “A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.”

A **contractor** is “a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization’s own use or for the use of beneficiaries of the Federal program.”

Consider the following characteristics to identify a subrecipient or contractor relationship. The AGA has provided the following worksheet to help in identifying subrecipient vs. contractor relationships:

https://www.agacgfm.org/AGA/ToolsResources/Documents/subcontractor_checklist_v6_FINAL_08-19-15_fillable.pdf

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Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

**Important
Items-Pass-
through
schedules**
(continued)

SUBRECIPIENT

- Determines who is eligible to receive Federal financial assistance.
- Has its performance measured by meeting the objectives of the Federal program.
- Has responsibility for programmatic decision making.
- Has responsibility for adherence to applicable Federal program compliance requirements.
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

CONTRACTOR

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program.

DOA strongly encourages communication between entities exchanging Federal pass-through funds. Such communication ensures consistent reporting and reduces the time required for statewide compilation and audit. Contact Penny Williams at DOA if the institution needs assistance with identifying the Federal contacts at other agencies/institutions.

DOA will perform a variance analysis for pass-through funds received and pass-through funds disbursed among State agencies / institutions. DOA will investigate significant variances, and **State agencies / institutions will be required to explain these variances IN WRITING by a due date to be determined in future communications.**

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Comptroller's Directive No. 2-16
Attachment HE-7
Federal Schedules

**Important
Items-
Reporting loan
programs**

Report all loan programs in accordance with the Uniform Guidance Section 200.502. While agencies are responsible for identifying all loan programs to be reported, the following have historically been reported:

- Campus based loan program (Perkins - #84.038, Health Professions Loans - #93.342, Nurse Faculty Loans-#93.264, Nursing Student Loans - #93.364)
- Non-campus based loan program (Federal Direct Student Loans - #84.268)
- Capitalization Grants for State Revolving Funds (#66.458) and Capitalization Grants for Drinking Water State Revolving Fund (#66.468)
- Economic Adjustment Assistance Program (#11.307)

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsm; RECEIVED FROM STATE tab

The **RECEIVED FROM STATE** tab identifies Federal assistance disbursed from other State agencies / institutions and received by the institution in a subrecipient relationship. The Federal assistance is listed by CFDA number and by State grantor agency / institution. **Report amounts related to unknown CFDA numbers that were received from state agencies/institutions on this tab and expenditures made from these funds on the SEFA tab.**

Instructions for preparing the **RECEIVED FROM STATE** tab are in the following table.

Step	Action
1	Click on the RECEIVED FROM STATE tab. Enter your institution number in cell B2 (the first yellow highlighted cell). After you type in the institution number, hit enter and your institution name should appear in cell B1, the cell directly above “agency number.” The institution number and title are linked to the remaining tabs. Make sure your institution number appears on all other spreadsheets. ONLY include federal money received from a Virginia state agency/institution.
2	In Column B, enter the State agency / institution number for the agency / institution that disbursed Federal pass-through funds to your institution beginning on line 8. Fill in one line for each grantor agency/institution and CFDA. When you hit enter, your institution number should appear in Column A, and the grantor state agency / institution name should appear in Column C. Please ensure that the correct agency / institution names appear to ensure you have keyed the correct agency/institution number.
3	Key the CFDA numbers in numerical order in Column D. As each CFDA number is keyed, hit enter. The federal program name will appear in Column E. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” in Column G to indicate R & D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.

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**Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules**

Preparing the federal schedules.xlsm; RECEIVED FROM STATE tab, continued

Step	Action
4	In Column F, enter the total amount of pass-through funds received from other State agencies/institutions. Use the cash basis or the value of nonmonetary assistance to report these receipts. Expenditures made from these funds should also be included on the SEFA tab.
5	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. <u>For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</u> <u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.

Preparing the federal schedules.xlsm; RECEIVED FROM NONSTATE tab

The **RECEIVED FROM NONSTATE** tab identifies Federal assistance disbursed from nonstate entities and received by the institution in a subrecipient relationship. **Also, this tab identifies the Federal expenditures made from the pass-through funds received from the nonstate entities.** (See page 11 for the definition of nonstate entities.) The Federal receipts and disbursements should be listed by CFDA number **and** by nonstate entity name. **Report amounts related to unknown CFDA numbers that were received from nonstate entities and the related expenditures made from the pass-through funds received on this tab. DO NOT report expenditures made from the pass-through funds received from nonstate entities on the SEFA tab.**

PLEASE NOTE: DO NOT ABBREVIATE THE NONSTATE ENTITY NAMES. DOA WILL NOT ACCEPT SUBMISSIONS THAT CONTAIN ABBREVIATIONS.

Instructions for preparing the **RECEIVED FROM NONSTATE** tab are in the following table.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsxm; RECEIVED FROM NONSTATE tab
 (continued)

Step	Action
1	Click on the RECEIVED FROM NONSTATE tab. Do not enter the institution number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money received by your institution from a nonstate entity on this tab. The Federal Government is not a nonstate entity.
2	Fill in the nonstate entity grantor name (DO NOT USE ABBREVIATIONS) in Column B beginning on line 8. As each entity is keyed, hit enter. Your institution number will appear in Column A. Fill in one line for each nonstate entity grantor and CFDA.
3	Key the CFDA numbers in numerical order in Column C. As each CFDA number is keyed, hit enter. The federal program name will appear in Column D. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” in Column G to indicate R & D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.
4	In Column E, enter the total dollar amount of Federal pass-through funds received from nonstate entities for each CFDA number. Use the cash basis or the value of nonmonetary assistance to report the receipts.
5	In Column F, enter the total dollar amount of Federal expenditures made from the pass-through funds received from nonstate entities. Enter a zero if no funds were expended, and report negative amounts if applicable. Expenditures / disbursements made from these funds should NOT be reported on the SEFA tab.
6	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsxm file. <u>For Stimulus (ARRA) federal expenditures, institutions should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</u> <u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.

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Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsm; DISBURSED TO STATE tab

The **DISBURSED TO STATE** tab identifies Federal assistance disbursed from the institution to subrecipient State agencies / institutions. The Federal disbursements are listed by CFDA number and by State receiving agency / institution. **Report amounts related to unknown CFDA numbers that were disbursed to state agencies/institutions on this tab. These amounts should also be included on the SEFA tab. If the amounts reported on the DISBURSED TO STATE tab do not agree with the amounts reported on the SEFA tab, please list the appropriate information on the DISBURSEMENTS tab of the Questionnaire file.**

Instructions for preparing the **DISBURSED TO STATE** tab are in the following table.

Step	Action
1	Click on the DISBURSED TO STATE tab. Do not enter the institution number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money disbursed from your institution to a Virginia state agency/institution on this tab.
2	In Column B, enter the State agency / institution number for the agency / institution to which the institution disbursed Federal pass-through funds beginning on line 8. Fill in one line for each subrecipient agency/institution and CFDA. When you hit enter, your institution number should appear in Column A, and the subrecipient state agency / institution name should appear in Column C. Please ensure that the correct agency / institution names appear to ensure you have keyed the correct agency / institution number.
3	Key the CFDA numbers in numerical order in Column D. As each CFDA number is keyed, hit enter. The federal program name will appear in Column F. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” in Column G to indicate R & D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.
4	In Column G, enter the total amount of pass-through funds disbursed to other State agencies / institutions. Use the cash basis or the value of nonmonetary assistance to report the disbursements. These disbursements should also be included on the SEFA tab.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsm; **DISBURSED TO STATE** tab, continued

Step	Action
5	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. For Stimulus (ARRA) federal expenditures, institutions should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</p> <p>Note: In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p>

Preparing the federal schedules.xlsm; **DISBURSED TO NONSTATE** tab

The **DISBURSED TO NONSTATE** tab identifies Federal assistance disbursed from the institution to subrecipient nonstate entities. (See page 11 for the definition of nonstate entities.) The Federal disbursements should be listed by CFDA number only. Do not report the names of the nonstate entities. **Report amounts related to unknown CFDA numbers that were disbursed to nonstate entities on this tab. These amounts should also be included on the SEFA tab. If the amounts reported on the DISBURSED TO NONSTATE tab do not agree with the amounts on the SEFA tab, please list the appropriate information on the DISBURSEMENTS tab of the Questionnaire file.**

Instructions for preparing the **DISBURSED TO NONSTATE** tab are in the following table.

Step	Action
1	Click on the DISBURSED TO NONSTATE tab. Do not enter the institution number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money disbursed from your institution to a nonstate entity on this tab.
2	Key the CFDA numbers in numerical order in Column B beginning on line 8. Fill in one line for each CFDA number. As each CFDA number is keyed, hit enter. Your institution number will appear in Column A, and the federal program name will appear in Column C. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” in Column G to indicate R & D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.

Continued on next page

**Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules**

Preparing the federal schedules.xlsm; DISBURSED TO NONSTATE tab
(continued)

Step	Action
3	In Column D, enter the total amount of Federal pass-through funds disbursed to nonstate entities for each CFDA number. Use the cash basis or the value of nonmonetary assistance to report the disbursements. These disbursements should also be included on the SEFA tab.
4	A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. <u>For Stimulus (ARRA) federal expenditures, institutions should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</u> Note: In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.

Preparing the federal schedules.xlsm; SEFA tab

The **SEFA** tab should include all federal expenditures/disbursements, except for the expenditures/disbursements reported on the **RECEIVED FROM NONSTATE** tab. **Report all expenditure/disbursement amounts related to unknown CFDA numbers on this tab except those expenditures/disbursements reported on the RECEIVED FROM NONSTATE tab.**

Instructions for preparing the **SEFA** tab are in the table below.

Step	Action
1	Click on the SEFA tab. Do not enter the institution number and name. This information is linked to the RECEIVED FROM STATE tab.
2	In Column C, type in the appropriate CFDA number beginning on line 8. Hit Enter. Your institution number should automatically appear in Column A. The appropriate Federal grantor agency should automatically appear in Column B, and the Federal program name should automatically appear in Column E. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R & D) expenditures and expenditures other than R & D. Key “@” in Column G to indicate R & D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsx; SEFA tab, continued

Step	Action
3	Report all Federal disbursements in Column F, except expenditures/disbursements reported on the RECEIVED FROM NONSTATE tab.
4	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsx file. <u>For Stimulus (ARRA) federal expenditures, institutions should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</u></p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p>
5	Ensure the Federal program name is consistent throughout all applicable worksheets. If the name is unknown, use Other Assistance as the program name only after you have verified there is no federal contract or program name applicable.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsm; Fluctuation Analysis tab

The **FLUCTUATION ANALYSIS** tab.

Instructions for preparing the **FLUCTUATION ANALYSIS** tab are in the table below.

Step	Action
1	Click on the FLUCTUATION ANALYSIS tab. This tab will identify fluctuations in the expenditure amounts reported on the current SEFA tab compared to the prior year SEFA tab. The total SEFA dollar variance is provided in the top section of the tab.
2	In the lower portion of the tab, a fluctuation is provided for each major federal agency category between the current and prior year SEFA tab expenditure amounts. For example, 10.xxx represents all expenditures from the SEFA tab within the federal agency, U.S. Department of Agriculture. A “significant variance” is identified, whenever a “YES” is displayed in the “Significant Variance” column and requires that an explanation of the variance be provided. All SEFA amounts for the current and prior year auto - populate in the appropriate federal agency fields (10.XXX, 11.XXX, etc.). You do not need to enter any current or prior year SEFA expenditure amounts.
3	For the Variance explanation on the FLUCTUATION ANALYSIS tab, if "YES" is displayed in “Significant Variance” column, explain any significant increases or decreases in the major federal agency categories. Compare the prior year's SEFA tab to the current year's SEFA to identify any individual program differences for the major federal agency where an explanation is required. It will be helpful to have a copy of the prior and current year SEFA tab submissions to identify programs that are new or no longer being used in the current year SEFA tab submission. Include detailed CFDA #s and/or other information to explain any significant changes identified. It is not sufficient to explain that a specific CFDA had significant changes without providing a reason for the change.
4	It is important to make sure you have checked the www.cfda.gov website to ensure that all CFDA numbers are valid for the current SEFA. Please pay close attention to CFDA programs that have been deleted or changed to an alternate CFDA number.
5	Valid explanations may include that a program is no longer in use or a new program has been added in the SEFA year being reported.

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Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Reconciliation of the Schedule of Expenditures of Federal Awards

The **Reconciliation of the Schedule of Expenditures of Federal Awards** reconciles the expenditures for **Stimulus (ARRA)** and **Non-Stimulus** reported on the **SEFA** tab plus the expenditures for **Stimulus (ARRA)** and **Non-Stimulus** reported on the **RECEIVED FROM NONSTATE** tab to the amount of Federal expenditures for **Stimulus (ARRA)** and **Non-Stimulus** recorded on the institution’s accounting system.

Incomplete or improper **Reconciliations of the Schedule of Expenditures of Federal Awards** will be returned to the institution. **The institution will be asked to resubmit the reconciliation and may be cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report).** **Noncompliance with the Directive could adversely affect an institution’s ability to meet management standards.**

Preparing the reconciliation to the accounting system

Instructions for preparing the **Reconciliation of the Schedule of Expenditures of Federal Awards** to the institution’s accounting system are in the following table.

Step	Action
1	Open the reconciliation file.
2	Enter the institution number, contact information, and date completed in the applicable cells highlighted in yellow.
3	The institution name will automatically be entered in cell C2 once the institution number has been entered in cell C1.
4	In cell E11, enter the total Non-Stimulus Federal Expenditures amount as reported on the SEFA tab.
5	In cell E12, enter the total Stimulus (ARRA) (excluding BABs recorded in fund detail 1302) Federal Expenditures amount as reported on the SEFA tab.
6	In cell E13, enter the total Non-Stimulus Federal Expenditures amount as reported on the RECEIVED FROM NONSTATE tab.
7	In cell E14, enter the total Stimulus (ARRA) Federal Expenditures amount as reported on the RECEIVED FROM NONSTATE tab.
8	In cell E18, enter the total Federal expenditures recorded in the institution’s accounting system.

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-7
Federal Schedules

Preparing the reconciliation to the accounting system
(continued)

Step	Action										
9	The difference between the expenditures for Stimulus (ARRA) and Non-Stimulus as reported on the SEFA tab plus the expenditures for Stimulus (ARRA) and Non-Stimulus reported on the RECEIVED FROM NONSTATE tab and the expenditures in the institution’s accounting system will be calculated in cell E21. This difference should be completely reconciled before submission to DOA.										
10	Begin reconciling items on line 24.										
11	Enter a brief description for each reconciling item in Column A. Enter the dollar amount in Column E. See the following examples: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Cash Basis AJE</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">For Perkins loan program</td> <td style="text-align: right;">\$XXX</td> </tr> <tr> <td style="padding-left: 40px;">Nonmonetary disbursements</td> <td style="text-align: right;">\$XXX</td> </tr> <tr> <td style="padding-left: 40px;">Indirect Costs</td> <td style="text-align: right;">\$XXX</td> </tr> <tr> <td style="padding-left: 40px;">BABs recorded in fund detail 1302</td> <td style="text-align: right;">\$XXX</td> </tr> </table> (The institution may or may not have the reconciling items listed above.)	Cash Basis AJE		For Perkins loan program	\$XXX	Nonmonetary disbursements	\$XXX	Indirect Costs	\$XXX	BABs recorded in fund detail 1302	\$XXX
Cash Basis AJE											
For Perkins loan program	\$XXX										
Nonmonetary disbursements	\$XXX										
Indirect Costs	\$XXX										
BABs recorded in fund detail 1302	\$XXX										
12	The sum of the reconciling items must equal the difference between the expenditures for Stimulus (ARRA) and Non-Stimulus on the SEFA tab plus the expenditures for Stimulus (ARRA) and Non-Stimulus on the RECEIVED FROM NONSTATE tab and the expenditures in the institution’s accounting system (cell E18). <u>If these amounts do not equal, further investigation is required because DOA will not accept incomplete or improper reconciliations.</u>										
13	Do not send the supporting documents for the reconciliations to DOA. Only submit the reconciliations to DOA. A copy of the reconciliation and all supporting documents should remain at the institution for potential APA review or if specifically requested by DOA.										

Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

Purpose

This attachment is to provide general fund appropriation revenue from the Commonwealth including certain transfer activity. This attachment is also to provide year-end general fund unexpended appropriations that will be reappropriated (appropriations available). DOA will reconcile the amounts reported on this attachment to the amounts reported on the Commonwealth's Accounting and Reporting System (CARS) since CARS is the official system of record for FY 2016. This is similar to prior year's Attachment HE-8.

Applicable institutions

All institutions **must** complete this attachment.

Due date

August 25, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

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Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-8. For example, VCCS should rename the Attachment HE-8.xlsx* file as VCCS Attachment HE-8.xlsx*. This file includes the following two attachment tabs: **TAB 1** and **TAB 2**. Complete both tabs along with the Certification tab.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

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Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**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 (RCL) in the attachment Excel file.**

Enter the revision date, applicable tab name, 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.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates. Include "REVISED – date" in the subject line of the e-mail as well as in the **file name**.

**Separate
communications**

If DOA determines revised guidance is needed for completing this attachment, a separate communication will be sent as needed.

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Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**Appropriation
available &
appropriation
revenue line
items**

This attachment refers to the Statement of Net Position and Statement of Activities which are in the FST tab within the Attachment HE-10, Financial Statement Template. It also only refers to amounts that will be reported in the "HEI Total Year-End June 30, 2016" column. General Fund appropriations available on the Statement of Net Position may be reported on the following FST line items ONLY. Each institution may not need to use both of these line items.

Appropriations Available:

- Appropriations Available - Capital Projects
- Appropriations Available – Other

General Fund appropriation revenue and other appropriation revenue (certain transfer GLAs) may be reported on the following FST Statement of Activities line items ONLY. Each institution may not need to use all of these line items.

State Appropriation Revenue – Operating:

- E&G Transfers (GLAs 969/970)
- General Fund Transfers (GLAs 996/997)
- Nongeneral Fund Transfers (GLAs 982/983)*
- General/Nongeneral Fund Transfers (GLAs 984/985)*
- Appropriation Act Part 3 Transfers (GLAs 986/987)*
- Other

State Appropriation Revenue – Capital Projects

Note*: DOA will analyze this transfer activity for FY 2016 and determine the proper classification in the CAFR and make reclassifications if needed. For example, the following are some examples of GLAs that are typically reported in the CAFR as Expenses rather than as a reduction to Operating Appropriations from Primary Government:

- GLAs 982/983 for certain debt service payments to the Treasury Board in accordance with the Appropriation Act and reimbursements to the Central Capital Planning Fund (agency 949/fund 0965)
- GLAs 986/987 Appropriation Act Part 3 transfers to the General Fund

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Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**TAB 1 -
reporting
capital projects
appropriation
available/
appropriation
revenue**

General Fund (fund 0100 & fund 0965) cash and appropriation revenue for the capital outlay program 998 must be reported on TAB 1. The cash as of year-end is considered part of the General Fund of the Commonwealth. The higher education institutions must record this cash as Appropriation Available-Capital Projects because DOA will record the cash in the General Fund of the Commonwealth. The General Fund will also report a Due to Component Units. For CAFR reporting, DOA will report the HEIs' Appropriations Available-Capital Projects as a Due from Primary Government.

Appropriation Available

1. Report beginning appropriation available (should equal prior year ending balance) on the first line in the capital projects appropriation available section. Review Part 2 and complete if necessary.
2. Report capital projects appropriation revenue net of any reversions on the second line. (This increases appropriation available.)
3. Report current year net expenditures on the third line. (This decreases appropriation available.)
4. The ending balance for appropriation available should equal the unexpended appropriation amount for funds 0100/0965, program 998. It should also approximate the cash balance (GLA 101) in funds 0100/0965, program 998.
5. The total amount reported for capital projects appropriation available on this attachment must equal the amount that will be reported on the Appropriation Available-Capital Projects line item on the Statement of Net Position in the Attachment HE-10.

Appropriation Revenue

1. Report current year appropriation revenue on the first line in the capital projects appropriation revenue section.
2. Report any current year capital project reversions on the second line.
3. The net amount reported (revenue less reversions) must equal the amount that will be reported on the State Appropriation Revenue – Capital Projects line item on the Statement of Activities in the Attachment HE-10.

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Comptroller’s Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**TAB 1 -
reporting other
appropriation
available /
appropriation
revenue**

General Fund (fund 0100) appropriation available and appropriation revenue for operating programs 108 and 110 must be reported on TAB 1. Fund 0100, program 108 and 110 amounts represent appropriations for Student Financial Assistance and Financial Assistance for Educational and General Services, respectively. Report any other General Fund activity that does not fit in any other categories in TAB 1 or the TAB 2 (transfers) in this section and include a description. The appropriation available-other amount should include **all** remaining General Fund (fund 0100) cash (GLA 101), **except** cash that is already reported as capital outlay appropriations (program 998) or cash that will **not** be reappropriated.

Appropriation Available

1. Report remaining cash for Programs 108 and 110 on separate lines in the other appropriation available section if amounts are expected to be reappropriated. (Do not report an amount if funds are being reverted, are not expected to be reappropriated, and will not be included on the Statement of Net Position.)
2. Report amounts for other balances that fit in the “Other” section on separate lines and give a description of what they represent.
3. The total amount reported for other appropriation available on the attachment must equal the amount that will be reported on the Appropriations Available – Other line item on the Statement of Net Position in the Attachment HE-10.

Appropriation Revenue

1. Report current year appropriation revenue for Programs 108 and 110 on separate lines in the other appropriation revenue section.
2. If applicable, report reversions and/or reappropriations on separate lines for Programs 108 and 110.
3. Report amounts for other balances that fit in the “Other” section on separate lines and give a description of what they represent.
4. The total amount reported for other appropriation revenue on the attachment must equal the amount that will be reported on the State Appropriation Revenue – Operating: Other line item on the Statement of Activities in the Attachment HE-10.

Do not report appropriation available for:

1. Fund 0100 Cash (GLA 101) that is being reverted, is not expected to be reappropriated, and will not be reported on the Statement of Net Position;
2. Cash or travel advances (Report as cash and travel advances with an offsetting liability reported on the Advance from the Treasurer of Virginia line item.);
3. Cash that is in a suspense account in fund 0100; and
4. Cash that is a result of fund 0100 revenue (GLA 961).

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**TAB 2 -
reporting
transfer GLAs**

TAB 2 is to report transfer activity for each pair of GLAs in the corresponding section. Report an amount for each GLA on a separate line. (For example, report the amount for GLA 969 on one line and the amount for GLA 970 on another line in the GLA 969/970 section.) Below is a description of the different sets of transfer GLAs to report on TAB 2:

- **E&G Transfers (GLAs 969/970-fund 0300):** Educational & General (E&G) appropriation revenue and the corresponding cash are transferred from the General Fund (fund 0100) to fund 0300.
- **General Fund Transfers (GLAs 996/997-fund 0300):** This represents primarily E&G appropriation reversions as of year-end from fund 0300 back to the General Fund (0100). The reversion should be reported as a negative amount.
- **Nongeneral Fund Transfers (GLAs 982/983):** These represent transfers between nongeneral funds of the Commonwealth (i.e., funds 02xx, 03xx, 04xx, etc.). Many of these transactions are intrafund transfers within an institution and net to zero. However, in some cases the net amount of these transfers represent transfers from the institution's fund 0300 to agency 155, Treasury Board, fund 0300 to pay a share of VCBA's debt service costs as required by the Appropriation Act. The intrafund transfers that net to zero do not need to be recorded on TAB 2; however, the net amount of transfers should be reported on TAB 2. Note: Tier III institutions make payments to the Treasury Board and the Treasury Board must process a deposit certificate to record these payments in their agency 155, fund 0300.
- **General/Nongeneral Fund Transfers (GLAs 984/985):** These generally represent transfers between the General Fund and other funds of the Commonwealth.
- **Appropriation Act Part 3 Transfers (GLAs 986/987):** This category primarily represents transfers from nongeneral funds to agency 997, Department of Accounts-Statewide Activity, fund 0100 as required by the Appropriation Act.

Transfers out should be reported as a negative amount and transfers in should be reported as a positive amount. The total net amount reported for the above GLAs on this attachment must equal the amount that will be reported on the applicable line items on the Statement of Activities in the Attachment HE-10.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

Examples for Attachment HE-8

The following tables give some **examples** of the type of information to report on this attachment.

TAB 1: Example of Appropriation Available/Appropriation Revenue – Capital Projects:

Appropriation Available calculation	Amount	Appropriation Revenue calculation	Amount
Beginning Balance	75,000		
Add: Net Appropriation Revenue	225,000	Current Year Appropriation Revenue	250,000
Less: Current year net expenditures	-80,000	Less: Current Year Reversion	-25,000
Total Appropriations Available - Capital Projects per Statement of Net Position	220,000	Total State Appropriation Revenue - Capital Projects per Statement of Activities	225,000

TAB 1: Example of Appropriation Available/Appropriation Revenue – Other:

Appropriation Available calculation	Amount	Appropriation Revenue calculation	Amount
Fund 0100, Program 108 Remaining Cash (see Note A)	0	Fund 0100, Program 108 Appropriation Revenue	2,000,000
Fund 0100, Program 110 Remaining Cash (see Note A)	0	Fund 0100, Program 110 Appropriation Revenue	400,000
		Program 108 Reversion (see Note A)	-50,000
		Program 110 Reversion (see Note A)	-10,000
Total Appropriation Available – Other per the Statement of Net Position	0	Total State Appropriation Revenue – Other per Statement of Activities	2,340,000

Note A: If General Fund unexpended appropriations for operating programs (1xx) are not expected to be reappropriated, this example shows that CARS as of year-end would report cash (GLA 101) of \$60,000 for programs 108 and 110. Since these amounts are not expected to be reappropriated, the Appropriations Available – Other is zero on the Statement of Net Position.

TAB 2: Some examples of Appropriation Revenue (transfers) are as follows:

Appropriation Revenue Calculations	Amount
GLA 969, Fund 0300	68,500,000
GLA 970, Fund 0300	-500,000
Total E&G Transfers (GLAs 969/970) per Statement of Activities	68,000,000
GLA 997, Fund 0300	-23,750
Total General Fund Transfers (GLAs 996/997) per Statement of Activities	-23,750
GLA 983, Fund 0300	-450,000
Total Nongeneral Fund Transfers (GLAs 982/983) per Statement of Activities	-450,000
GLA 984, fund 0305 program 113	1,500,000
Total Gen./Nongen. Fund Transfers (GLAs 984/985) per Statement of Activities	1,500,000
GLA 987, fund 0300	-500,000
Total Appropriation Act Part 3 Transfers (GLAs 986/987) per Statement of Activities	-500,000

Continued on next page

Comptroller’s Directive No. 2-16
Attachment HE-8
Appropriation Available and Appropriation Revenue

**Examples for
template line
items**

The following shows how the amounts reported on the Attachment HE-8 would be reported on the financial statement template (Attachment HE-10) line items.

Financial Statement Template - Statement of Net Position	Amount
Appropriations Available – Capital Projects	220,000
Appropriations Available - Other	0

Financial Statement Template – Statement of Activities	Amount	
State Appropriation Revenue – Operating:		
E&G Transfers (GLAs 969/970)	68,000,000	Note A
General Fund Transfers (GLAs 996/997)	-23,750	Note A
Nongeneral Fund Transfers (GLAs 982/983)	-450,000	Note B
General/Nongeneral Fund Transfers (GLAs 984/985)	1,500,000	Note A
Appropriation Act Part 3 Transfers (GLAs 986/987)	-500,000	Note B
Other	2,340,000	Note A
State Appropriation Revenue – Capital Projects	225,000	

Note A: The net total of these amounts is \$71,816,250 and would be reported in the CAFR as Operating Appropriations from Primary Government.

Note B: The net total of these amounts is negative \$950,000 and would be reported in the CAFR as Expenses.

Continued on next page

Comptroller's Directive No. 2-16

Attachment HE-8

Appropriation Available and Appropriation Revenue

**Additional
example for
Attachment
HE-8**

The following provides additional information regarding the Appropriations Available – Other and Appropriation Revenue – Other categories reported on this attachment. The example below is not all inclusive. Contact DOA if you have questions regarding the completion of Attachment HE-8.

Additional Information: Attachment HE-8 TAB 1:				
Appropriations Available - Other & Appropriation Revenue - Other				
Part 1: DOA compares amounts reported on the Attachment HE-8 to the Commonwealth's Accounting and Reporting System (CARS). The information below shows an example of portions of the applicable CARS report that is used to agree certain amounts reported on the Attachment HE-8 to CARS. This example does not include all appropriation categories or information included on the CARS report.				
FUNDING ANALYSIS OF APPROPRIATIONS ALLOTMENTS AND EXPENDITURES				
ACTR 1419 OPTIONS: A1 B1 C1 D2 / Monthly / (PM) - Cycle M				
As of 6/30/2016 (final close run date)				
FUND/ DETAIL	PROG CODE	APPROPRIATIONS	EXPENDITURES	UNEXPENDED APPROPRIATIONS
0100	108			
	ORIGINAL	1,965,000		
	RE-APPROP	20,000	(2)	
	TRANSFER	15,000		
	PROGRAM TOTALS	2,000,000	1,950,000	50,000 (1)
0100	110			
	ORIGINAL	355,000		
	RE-APPROP	25,000	(2)	
	TRANSFER	20,000		
	PROGRAM TOTALS	400,000	390,000	10,000 (1)
Note (1): The sum of the current year's unexpended appropriations total \$60,000 and should also be included in gla 101, Cash held with the Treasurer of Virginia, as of year-end on CARS.				
Note (2): The sum of the prior year's unexpended appropriations total \$45,000 and were reappropriated in the current year.				
Part 2: This part is to show how the above amounts would be reported on the Attachment HE-8 TAB 1 if:				
Scenario 1: Current year's unexpended appropriations are expected to revert & prior year's unexpended appropriations (i.e., re-approp amounts) were not reported in the prior year as appropriations available -other and were not included in the prior year's appropriation revenue -other because they were expected to revert.				
Scenario 2: Current year's unexpended appropriations are expected to be reappropriated & prior year's unexpended appropriations (i.e., re-approp amounts) were reported in the prior year as appropriations available - other and were included in the prior year's appropriation revenue - other because they were expected to be reappropriated.				
Other:		Scenario 1		Scenario 2
Fund 0100, Program 108 Remaining Cash		0		50,000
Fund 0100, Program 110 Remaining Cash		0		10,000
				0
	Total Appropriations Available - Other	0		60,000
Other:				
Fund 0100, Program 108 Appropriation Revenue		2,000,000		2,000,000
Fund 0100, Program 110 Appropriation Revenue		400,000		400,000
Program 108 Reversion/Reappropriation		-50,000		-20,000
Program 110 Reversion/Reappropriation		-10,000		-25,000
	Total State Appropriation Revenue - Other	2,340,000		2,355,000

Comptroller’s Directive No. 2-16
Attachment HE-9
Treasury’s Reimbursement Programs

Introduction

This attachment is to provide information on the following Department of Treasury (Treasury) Reimbursement Programs:

- Virginia College Building Authority (VCBA) 21st Century
- VCBA Equipment Trust Fund (ETF)
- General Obligation Bonds – 9b (GOB)
- Virginia Public Building Authority (VPBA)

For reporting guidelines on these programs, refer to the “Higher Education Institution Reporting Procedures” on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link, and then click on “Higher Education Institution Reporting Procedures.” This attachment is similar to the prior year’s Attachment HE-9.

Applicable institutions

All institutions **must** complete this attachment.

Due date

September 8, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-9
Treasury's Reimbursement Programs

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-9. For example, VCCS should rename the Attachment HE-9.xlsx* file as VCCS Attachment HE-9.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

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 (RCL) 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.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates. Include "REVISED – date" in the subject line of the e-mail as well as in the **file name**.

Comptroller's Directive No. 2-16
Attachment HE-9
Treasury's Reimbursement Programs

Overview

The reporting guidelines for VCBA 21st, VCBA ETF, GOB, and VPBA are as follows:

- Due froms*: Unreimbursed expenses as of year-end (negative cash & payables)
- Revenue: Reimbursements from Treasury (plus accruals/less reversals)

Note *: The amounts reported by the higher education institutions (HEIs) and Treasury as due froms/due tos at year-end should agree. Any reimbursement requests processed by Treasury in July and August 2016 must be analyzed by HEIs to determine what amounts are for goods/services received on or prior to June 30, 2016. This should be the same amount as the year-end unreimbursed expenses (negative cash & payables). There could be some payables after the August cut-off related to these programs (i.e. retainage payable); however, there has to be a reasonable cut-off in order to ensure due froms/due tos reported in the Commonwealth's Comprehensive Annual Financial Report (CAFR) agree.

See the next section for a summary of the financial statement template line items.

Comptroller’s Directive No. 2-16
Attachment HE-9
Treasury’s Reimbursement Programs

Template line items

Below are the financial statement template line items.

Program	Financial statement template line items – Assets	Financial statement template line items – Revenue
VCBA 21 st Century	Due from Component Units (VCBA 21 st Century)	Revenue from VCBA (21 st Century)
VCBA ETF	Due from Component Units (VCBA ETF)	Revenue from VCBA (ETF)
GOB	Due from Primary Government (GOB)	Capital Contributions from Treasury (GOB)
VPBA	Due from Primary Government (VPBA)	Capital Contributions from Treasury (VPBA)

Even though Treasury administers these programs, the different line items represent the required presentation in the CAFR from Treasury’s perspective. VCBA and the higher education institutions (HEIs) are all reported as component units in the CAFR. In the CAFR, VCBA will report a Due to Component Units equal to the amounts reported by the higher education institutions as a Due from Component Units. The GOB and VPBA programs are reported in the CAFR as part of the primary government’s capital project funds. The capital project funds will report a Due to Component Units equal to the amounts reported by the higher education institutions as a Due from Primary Government. Due tos/froms reported in the CAFR must equal across all funds. All four programs are primarily used for capital asset/construction costs; however, since VCBA is a component unit, this revenue is reported on different financial statement template line items to identify revenue from another component unit.

Note: The Revenue from VCBA (21st Century) will be reported in the CAFR as Program Revenue – Capital Grants and Contributions. The Revenue from VCBA (ETF) will be reported in the CAFR as Program Revenue – Operating Grants and Contributions because this revenue may be spent on capitalizable and noncapitalizable items.

Comptroller's Directive No. 2-16
Attachment HE-9
Treasury's Reimbursement Programs

**Part 1 step 1:
cash basis
reimbursements
from Treasury**

Record the cash basis reimbursements from Treasury for all programs. Generally, cash basis reimbursements are reported on the Commonwealth's Accounting and Reporting System (CARS) since CARS is the system of record for FY 2016 as follows:

VCBA 21st Century : Fund 0817/GLA 972
VCBA ETF: Fund 03xx/GLAs vary (depends on how HEI requests
the reimbursement to be reported on CARS)
GOB: Fund 0811/GLA 971
VPBA: Fund 0820/GLA 972

Treasury will prepare a summary of cash basis reimbursements by HEI and reimbursement program after CARS final close. This summary will be e-mailed to directive contacts after CARS close. The amounts reported on this attachment for Part 1-Step 1 must be reconciled to the amounts provided by Treasury. Any differences must be investigated and resolved prior to submitting the attachment to DOA.

**Part 1 step 2:
reverse prior
year's "due
from" amounts**

Record the prior year's "due from" amounts as a negative.

Note: If any amounts reported in Part 1 Step 2 are not the same as the amounts reported on last year's template, an explanation must be provided in Part 2.

Comptroller’s Directive No. 2-16
Attachment HE-9
Treasury’s Reimbursement Programs

Part 1 step 3:
accrue current
year’s “due
from” amounts

Record the current year’s “due from” amounts based on the reporting guidelines as follows:

- Reimbursement requests* processed by Treasury on or before August 31, 2016, for unreimbursed expenses as of year-end (goods/services received on or prior to June 30, 2016); **and**
- Due dates on these reimbursement requests cannot be after August 31, 2016.

These reporting guidelines will require that reimbursement requests be submitted to Treasury by August 29. Also, since VCBA ETF reimbursement requests are first approved by the State Council of Higher Education for Virginia (SCHEV) before being sent to Treasury for processing, they must be submitted to SCHEV by August 24.

Note*: Treasury will require all reimbursement requests for July and August to identify the amounts that are for unreimbursed expenses as of year-end (goods/services received on or prior to year-end) versus those that are for current year activity. Treasury will summarize by reimbursement program and HEI the amount that should be reported as a “due from” based on an analysis of reimbursement requests Treasury processes in July and August 2016. This summary will be e-mailed to directive contacts and the HEI must reconcile Treasury’s amounts to the amounts reported for Part 1-Step 3. Any differences should be investigated and resolved prior to submitting the attachment to DOA.

Part 1 step 4:
revenue

The total of the following amounts should agree to the revenue that will be reported on the applicable financial statement template (FST) line item:

Cash basis reimbursements –FY 2016
Less: Reversal of prior year’s “Due from”
Add: Accrual of current year’s “Due from”
<hr/>
Total Revenue
<hr/>

Comptroller’s Directive No. 2-16
Attachment HE-9
Treasury’s Reimbursement Programs

Part 1a:
Central Capital
Planning Fund
(fund 0965)
reimbursements

Part 1a is to indicate if any of the amounts reported in Part 1 Steps 1 & 3 for the VCBA 21st Century Program represent reimbursements for pre-planning or detailed planning costs previously paid from the Central Capital Planning Fund (fund 0965). If the answer is “yes” to this question, DOA may request additional information in a separate communication.

Note: The following is an example of how Central Capital Planning Fund reimbursements were reported on CARS during FY 2015. If a HEI had transactions in FY 2016 to reimburse the Central Capital Planning Fund, the answer to the question in Part 1a would be “yes.”

Agy or HEI #/Fund*	Debit	Credit
HEI #/Fund 0817	Expenditure	
HEI #/Fund 0817		Cash
HEI #/Fund 0965	Cash	
HEI #/Fund 0965		Expenditure
HEI #/Fund 0817	Cash	
HEI #/Fund 0817		Proceeds – Sale Revenue Bonds
HEI #/Fund 0965	Transfer out	
HEI #/Fund 0965		Cash
949/Fund 0965	Cash	
949/Fund 0965		Transfer in

Note*: Fund 0817 – VCBA 21st Century Bond Fund (bond fund)
 Fund 0965 – Central Capital Planning Fund

The above entries created negative cash in the HEI’s bond fund by debiting expenditures for amounts that were previously reported in the HEI’s Central Capital Planning Fund. The HEI had to submit a request to Treasury to request reimbursement from bond proceeds to replenish the bond fund. In addition, the entries created cash in the HEI’s Central Capital Planning Fund and this cash was transferred to agency 949/fund 0965 to reimburse the Central Capital Planning Fund.

Part 2 -
comparison of
prior year
amounts

Select the institution’s acronym and prior year balances reported for Treasury’s reimbursement programs will appear. This will compare the prior year amounts reported in Part 1 – Step 2 to the prior year balances reported on the FY 2015 financial statement template. There should be no differences unless there are restatements. An explanation must be provided for any restatements.

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Comptroller's Directive 2-16

Attachment HE-10

Financial Statement Template

Purpose

To obtain **government-wide Statement of Net Position (liquidity order) and Statement of Activities** from each higher education institution including any blended component units (HEI*) and discrete component units (i.e., Foundations**). A combined total for the HEI* and its component units (including foundations**) must be reported in the Commonwealth's Comprehensive Annual Financial Report (CAFR) for each institution (per GASBS No. 39 paragraph 56).

To document the **reconciliation** between the institution's individually published financial statements and the financial statement template's government-wide Statement of Net Position and Statement of Activities (CAFR format).

To obtain **elimination entries** for significant intrafund activity/balances between the HEI* and their foundations** and among the foundations** so the combined totals will not be overstated in the CAFR.

To obtain **applicable footnote/other information** to determine reasonableness/propriety and/or prepare CAFR footnotes.

***HEI** referred to in this attachment is defined as the higher education institution and any blended component units of the institution.

****Foundation** referred to in this attachment is defined as a foundation/entity that is a discrete component unit of the institution as required by GASBS No. 39.

Applicable institutions

All institutions **must** complete this attachment.

Note: The following tabs must be completed by all HEIs: FST, TAB 6, TAB 7, TAB 8, Checklist and the Certification tab. The following tabs must be completed by all HEIs that have foundation(s): Combining FST, TAB F6, and TAB F7. The remaining tabs must be completed if the HEI or the foundation(s) have amounts reported on certain line items and/or certain conditions exist.

Due date

Staggered due dates	HEI acronyms
September 15	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 19	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
September 21	CWM, UVA, VCU, VCCS

Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by -FST. For example, VCCS would save the file as VCCS-FST.xlsx*. This file includes 34 tabs.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Also submit the following **Supplemental Information Item 7 per the Comptroller's Directive 2-16: Statement of Net Position (SNP) and Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)** that were used to prepare the reconciliation tabs. This should be submitted electronically in a Word, Excel, or PDF file and the filename should be as follows: institution's acronym – Supplemental Item 7. For example, VCCS would have the following file name: VCCS – Supplemental Item 7. **If applicable**, the following supplemental information items per the Supplemental Information section of Comptroller's Directive 2-16 must also be submitted:

- **Supplemental Information Item 7a**:** Receivable Reconciliation (HEI only)
- **Supplemental Information Item 7b**:** Derivative Instruments as of June 30, 2016 (HEI only)
- **Supplemental Information Items 7c and 7d:** 9d Bonds Payable (issued by Institution – Institutional Debt) Information
- **Supplemental Information Item 7e:** Adjusting Journal Entries – VCSFA & ODU Research Foundation (ODU only)

Note**: These items are separate Excel files available on DOA's website.

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

No revision control log

Institutions are required to submit only one complete and accurate Attachment HE-10, Financial Statement Template, by the applicable staggered due date. Therefore, a revision control log is not included in this attachment.

Error messages

“ERROR” messages will appear if certain amounts within a tab do not agree and/or if certain amounts on the FST, Combining FST, or Elimination Entries to FST do not agree to the footnote/informational or reconciliation tabs.

Check figures are displayed in red and should help to determine why an “ERROR” message appears. In addition, there are variance check figures that should show how much the amounts that should agree are off. If you cannot determine why there is an “ERROR” message, contact DOA.

GAAP

The financial statement template for the HEI must be completed in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Note: A GAAP Master List is available on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link. This list is for informational purposes only and is neither authoritative nor all-inclusive and does not include guidance issued by the National Association of College and University Business Officers (NACUBO*).

Information for foundations that issue individually published financial statements in accordance with GAAP as prescribed by the Financial Accounting Standards Board (FASB) must be recast/converted to the financial statement template line items.

NACUBO guidance

*GASBS No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, provides new guidance regarding the GAAP hierarchy. Position papers and other guidance issued by the NACUBO may be followed if the information complies with GASBS No. 76 provisions outlining when nonauthoritative accounting literature may be used.

Funds to be reported

All funds must be presented in the financial statement template, regardless of whether the funds are recorded on CARS. This includes all trust, local, and endowment funds.

Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

**Current
implementation**

The following Governmental Accounting Standards Board (GASB) statements are effective for the Commonwealth for fiscal year 2016 and thereafter:

- **GASBS No. 72**, *Fair Value Measurement and Application*, and
- **GASBS No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

Portions of the following GASB statements are effective for the Commonwealth for fiscal year 2016 and thereafter*:

- **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, and
- **GASBS No. 79**, *Certain External Investment Pools and Pool Participants*.

Note*: Portions of GASBS No. 73 and GASBS No. 79 are effective for fiscal year 2017 and thereafter.

**Future
implementations**

The GASB statements effective in future years are listed below **for informational/planning purposes** only. The following statements are effective for the Commonwealth for FY 2017 and thereafter:

- **GASBS No. 74**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*,
- **GASBS No. 77**, *Tax Abatement Disclosures*,
- **GASBS No. 78**, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, and
- **GASBS No. 80**, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*.

The following statements are effective for the Commonwealth for FY 2018 and thereafter:

- **GASBS No. 75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and
 - **GASBS No. 81**, *Irrevocable Split-Interest Agreements*.
-

**No early
implementation
of GASB
statements**

For consistency in reporting all agencies and institutions in the CAFR, the Commonwealth's policy is **no early implementation** of any GASB statement. If an institution early implements any GASB statement in its individually published financial statements, the Attachment HE-10, Financial Statement Template, **must exclude** the effects of any early implementations.

Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

**Verify prior
year amounts
& read
instructions &
checklist**

Before you begin completing the tabs, perform the following:

- **Verify the prior year amounts** that are on the FST, TAB 3, and TAB 5. Select the institution's acronym on the applicable tabs and prior year amounts should appear. These amounts should be the amounts reported on the prior year's Attachment HE-10 as adjusted for correcting AJEs and the prior year's Attachment HE-10a, GASBS No. 68 Entries. If you cannot verify a prior year amount, contact DOA to discuss. 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.
 - The **instructions to the Attachment HE-10 and the additional information documents should be read and understood** prior to completing the attachment. If you do not understand the instructions and/or have any questions, contact any of the individuals listed in the **Questions** section of the directive to discuss.
 - The checklist tab is to help ensure completeness and propriety. The **checklist tab should be read and understood** prior to completing this attachment and referenced as deemed necessary during the preparation process. If you do not understand items on the checklist and/or have any questions, contact any of the individuals listed in the **Questions** section of the directive to discuss.
-

Comptroller's Directive 2-16 Attachment HE-10 Financial Statement Template

Additional guidance

For additional information/guidance, see the Comptroller's Directive 2-16 and the following documents 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 and 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**
- Master Equipment Leasing Program (MELP) Listing (referred to in Attachment HE-10 TAB 5 Part 2 and Checklist tab Item 35)

Note*: This document provides information on the following programs for the HEI: VCBA 21st Century, VCBA Equipment Trust Fund (ETF), Treasury's GOB (9b), Virginia Public Building Authority (VPBA), VCBA Pooled Bonds, and Energy Performance Contracts.

Note:** This document is referred to in Attachment HE-10–TAB 7– Part 15 and TAB 3-Part 2. GASBS No. 48 includes guidance on how to report intra-entity transfers of assets and future revenues (including purchases/donations/transfers of capital assets) within the same financial reporting entity. Since HEIs are part of the Commonwealth's financial reporting entity, the definition of "intra-entity" for purposes of complying with GASBS No. 48 is not only the HEI and its foundations but also other entities reported in the CAFR. This document provides a listing of the Commonwealth's intra-entities.

Foundation information

The institution should request complete and accurate information from the foundations in order for the institution to complete this attachment by the applicable attachment due date.

Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

**Following
sections**

This document includes the following sections:

- Report Formats
 - Summary of Attachment Changes
 - Listing of Tabs
 - Financial Statement Template (FST)
 - Combining FST
 - Line Items
 - Miscellaneous Information – HEI
 - Fluctuation Analysis
 - Elimination Entries to FST
 - Footnote/Other Information for HEI (TABs 1A to 9)
 - Footnote/Other Information for Foundations (TABs F1 to F10)
 - Reconciliation Tabs – HEI & Foundations
 - Checklist & Certification
 - Errors Discovered after Submission
 - Appendix 1: Chart of Accounts
 - Appendix 2: Cash, Cash Equivalents, and Investments
 - Appendix 3: Revenue Classifications
 - Appendix 4: GASBS No. 62 Overview
-

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Report Formats

Background

The institution’s individually published financial statements include the following: Statement of Net Position (SNP), Statement of Revenues, Expenses, and Changes in Net Position (SRECNP), Statement of Cash Flows, Notes, and Management’s Discussion and Analysis. The SNP and SRECNP will be referred to as the **institution format**.

GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*, requires the institutions to report certain foundations as discrete component units of the institution. Foundations are primarily non-profit charitable entities that exist solely to assist and support the HEI and are exempt from federal income tax. These foundations report under FASB rather than GASB standards and issue individually published financial statements.

Each institution is a discrete component unit of the Commonwealth. GASBS No. 39 paragraph 56 requires the Commonwealth to combine the HEI and foundation amounts into one column in the Commonwealth’s CAFR for reporting in the government-wide Statement of Net Position and Statement of Activities. GASBS No. 34, *Basic Financial Statements- and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on these government-wide financial statements. These government-wide financial statements will be referred to as the **CAFR format**. Institutions must convert the institution format including the foundation information into the CAFR format.

Continued on next page

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Report Formats, Continued

Similarities

The **CAFR format** is similar to the **institution format** in the following ways:

- Both are prepared using the economic resources measurement focus and accrual basis of accounting
 - Both have similar net position line items (including net investment in capital assets)
 - Infrastructure assets must be reported by the HEIs using the historical approach
 - Both have the following similar line items on the SRECNP (institution format) and Statement of Activities (CAFR format): Contributions to Term Endowments, Contributions to Permanent Endowments, Extraordinary Items, and Special Items
-

Overall differences

Below are some of the overall differences between the CAFR format and the institution format:

- Institution format must be converted/recast to the CAFR format on the FST for the HEI & Combining FST for the foundations– see **Appendix 1: Chart of Accounts**, for a listing of line items.
- For the CAFR format, **institutions must eliminate significant* intrafund activity/balances between the HEI and the foundations and among the foundations** so that activity/balances will not be overstated when the combined total amount is reported in the Commonwealth’s CAFR. In addition, there are disclosure requirements for significant intrafund activity/balances that cannot be eliminated because of differing year-ends.

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

Continued on next page

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Report Formats, Continued

**Statement of
Net Position -
differences**

Below are some additional differences between the CAFR format and the institution format for the Statement of Net Position:

- Liquidity order rather than classified format;
- Detailed cash, cash equivalent, and investment line items for the HEI including “restricted” cash, cash equivalent, and investment line items for the HEI & foundations – see [Appendix 2: Cash, Cash Equivalents, and Investments](#), and checklist tab item 9 for guidance;
- More detailed and/or different line items for the following reasons: verification to other information on CARS or from other agencies, determine reasonableness, and consistency in reporting;
- “Other” line items – descriptions are needed for the following line items to ensure consistent reporting in the CAFR: Other Assets, Other Restricted Assets, Accounts Payable-Other, Other Liabilities, and Long-Term Liabilities – Other; and
- Net investment in capital assets amount must be calculated and reported for FASB foundations. (Since most institutions convert the FASB financial statements to the GASB format, this conversion is usually already done when preparing the institution’s financial statements.)

**Statement of
Activities -
differences**

Below are some of the differences between the CAFR format (Statement of Activities) and the institution format (SRECNP):

- Different revenue line items as required and defined in [GASBS No. 34](#) and as amended by [GASBS No. 37](#) – see [Appendix 3: Revenue Classifications](#), for descriptions of these line items
 - HEI only - more detailed line items for state appropriation revenue/revenue from the Commonwealth/VCBA/transfers to verify with information on CARS or from other agencies
 - Nonoperating and operating expenses reported in total
-

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Summary of Attachment Changes

Changes

This section summarizes some of the changes that have been made to the Attachment HE-10 for FY 2016. Some overall changes are as follows:

- **Nonnegotiable Certificates of Deposit:** Revised guidance is provided regarding nonnegotiable certificates of deposit (CD) based on changes in the Implementation Guide No. 2015-1. Nonnegotiable CDs should be reported on the applicable “cash equivalents” financial statement template line item if the original maturity is 90 days or less and they should be reported on the applicable “investment” financial statement template line item if the original maturity is greater than 90 days. Nonnegotiable CDs should continue to be treated as “deposits” for GASBS 3/40 disclosures. No changes were made regarding negotiable certificates of deposit.
- Prior year’s TAB 1B, GASBS 31 & 52 & 59 has been deleted. The prior year’s Parts 1 to 2a have been revised and are included in the new Recordation tab in the Attachment HE-11, Schedule of Cash, Cash Equivalents, and Investments as of June 30. The prior year’s Parts 3a and 3b have been included in the Attachment HE-10, TAB 7, Miscellaneous, Parts 26a and 26b.
- Formulas have been added to certain yellow input cells to populate a “n/a” response if the answer to a preceding question is “no” and a following question is not applicable. If the institution determines the “n/a” response needs to be changed, the drop-down list is available to change the answer if needed.
- Blue highlighted cells have been added to certain tabs to populate a reminder message when amounts are keyed into certain cells to help complete the attachment properly.

**FST tab for
HEI &
Foundations**

The scopes for the fluctuation analysis have been increased. Explanations must be provided for the following:

- Increases or decreases greater than \$3.9 million and 10 percent, or
 - Increases or decreases greater than \$13 million, regardless of percentage change.
-

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Summary of Attachment Changes, Continued

**FST,
& other
applicable tabs
for HEI only**

The “Due from Primary Government (interest/rebate allocation)” line item has been renamed to “Due from Primary Government.” This line item is to be used to report the interest/rebate allocation amount provided by DOA and any other amount instructed to be reported on this line item by DOA.

**Checklist tab
for HEI &
foundations**

Below are some changes to the Checklist tab:

- Prior year questions 10, 16, 17, 19, 21, 28, and 41 have been deleted and all questions have been renumbered.
- The second question in Item 34 (previously Item 40) has been **revised** to also indicate if the row line item titles and row totals on the reconciliation tabs agree to the Supplemental Item 7, Draft SNP & SRECNP.
- A **new** question has been added to Item 34 to indicate if the column totals on the foundation reconciliation tabs agree to either informational totals per the Combining FST’s column O or column Q shown at the bottom of the foundation reconciliation tabs.

**TAB 1A
Part 3
for HEI only**

Part 3 has been **revised** because nonnegotiable CDs should be reported as cash equivalents and/or investments depending on the length of maturity.

**TAB 3
Part 2
for HEI only**

The capitalization policy regarding donated capital assets, donated works of art, historical treasures, and similar assets, and capital assets received in a service concession arrangement has been revised regarding GASBS No. 72.

**TAB 7
Part 4
for HEI only**

Part 4 regarding GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, has been **revised** to indicate if the financial statement template was prepared in accordance with GASBS No. 62 as amended by GASBS No. 63, GASBS No. 65, GASBS No. 66, GASBS No. 69, GASBS No. 70, GASBS No. 72, and GASBS No. 76.

Continued on next page

Comptroller’s Directive 2-16
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Summary of Attachment Changes, Continued

TAB 7
Part 18
for HEI only

Part 18 regarding GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments*, has been **revised**. Any reference to GASBS No. 53 in Part 18 is referring to GASBS No. 53 as amended by GASBS No. 59, GASBS No. 64, and GASBS No. 72.

TAB 7
Part 20
for HEI only

Part 20f regarding GASBS No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, has been **revised** to indicate if the HEI as transferor has properly reported the service concession arrangement on the financial statement template in accordance with GASBS No. 60 as amended by GASBS No. 72.

TAB 7
Part 22
for HEI only

Items 9 and 10 in Part 22a for deferred outflows of resources have been **revised** to replace the “as amended by GASBS No. 71” with “as amended by GASBS No. 73” because portions of GASBS No. 73 that amend GASBS No. 67 and GASBS No. 68 are effective beginning in FY 2016. In addition, the “as amended by GASBS No. 71” has been removed from those categories since that was applicable for the first year of implementing GASBS No. 68.

TAB 7
Part 23
for HEI only

Parts 23a and 23b have been **revised** to indicate if the HEI has any of the revenue and expense items that are listed rather than answering “yes” or “no” to each individual item.

TAB 7
Part 26
for HEI only

Part 26 regarding GASBS No. 52, *Land and Other Real Estate Held as Investments by Endowments*, was previously included in the TAB 1B, GASBS 31 & 52 & 59, that has been deleted. This part has been **revised** to indicate if land and/or other real estate held as investments by endowments are properly reported in accordance with GASBS No. 52 as amended by GASBS No. 72.

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Summary of Attachment Changes, Continued

TAB 7
Part 27
for HEI only

Part 27 regarding GASBS No. 72, *Fair Value Measurement and Application*, is **new** and is to provide information regarding items reported at fair value using the fair value hierarchy (Level 1, Level 2, Level 3), items that fair value is established as permitted by GASBS No. 72 using the net asset value per share (or its equivalent), and items received during fiscal year 2016 that must be reported at acquisition value. It is also to indicate if items were properly reported in accordance with GASBS No. 72.

TAB F5
Parts 2a & 2b
for
foundations

Parts 2a and 2b are **new** and are to provide information regarding demand bonds and callable bonds because of debt violations.

**Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template**

Listing of Tabs

Tabs

Below is a listing of the tab names within this attachment and also documents if the tab includes HEI and/or foundation information. This file contains 34 tabs. Tabs are explained in more detail in the following sections:

Tab Name	HEI and/or Foundation(s)
FST	HEI/Foundation(s)
Combining FST	Foundation(s)
Elimination Entries to FST	HEI/Foundation(s)
HEI Flux	HEI
Foundation Flux	Foundation(s)
Checklist	HEI/Foundation(s)
TAB 1A, GASBS 3	HEI
TAB 2, Receivables	HEI
TAB 3, Capital Assets	HEI
TAB 5, LT Liabilities	HEI
TAB 6, Commitments	HEI
TAB 7, Miscellaneous	HEI
TAB 8, Short-Term Debt	HEI
TAB 9, Net Inv in Cap Assets	HEI
TAB F1, Cash, Cash Eqv & Inv	Foundation(s)
TAB F2, SNAP & LGIP	Foundation(s)
TAB F3, Receivables	Foundation(s)
TAB F4, Capital Assets	Foundation(s)
TAB F5, LT Liabilities	Foundation(s)
TAB F5.1, LT Liabilities	Foundation(s)
TAB F6, Commitments	Foundation(s)
TAB F7, Miscellaneous	Foundation(s)
TAB F8, Intrafund	HEI/Foundation(s)
TAB F9, Short-Term Debt	Foundation(s)
TAB F10, Net Inv in Cap Assets	Foundation(s)
4 reconciliation tabs: HEI-Assets & Def. Outflows, HEI-Liabilities & Def. Inflows, HEI-Net Position, and HEI-Rev, Exp, and Chgs	HEI
4 reconciliation tabs: Foundations-Assets, Foundations-Liabilities, Foundations-Net Position, Foundations-Rev, Exp, and Chgs	Foundation(s)
Certification	HEI/Foundation(s)

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Financial Statement Template

Financial Statement Template (FST)

FST

HEI Total Year-End June 30, 2016 column: Amounts for the HEI must be keyed into this column. As noted on page 1, HEI is defined as the higher education institution and any blended component units. This tab has the government-wide Statement of Net Position and Statement of Activities (CAFR format) as required by GASBS No. 34 and modified by GASBS No. 63. **Footnote/informational TABs 1A to 9*** as well as the **HEI reconciliation tabs** must be completed for certain amounts reported in this column.

The following columns are **linked to other tabs** and those tabs are discussed in subsequent sections.

- Foundation(s) Year-End Totals (linked to Combining FST tab)
- Elimination Entries (linked to Elimination Entries to FST tab)

The **Combined Total** column sums the three columns and will be reported in the CAFR with some exceptions. DOA will make certain adjustments to these amounts; therefore, amounts in this column do not always equal the amounts reported in the CAFR.

HEI Total Prior Year & Foundation(s) Total Prior Year Totals & Fluctuations: For prior year adjusted amounts to appear, select the institution's acronym. Prior year amounts will appear and the #N/As will disappear. The prior year amounts represent the amounts per the prior year's Attachment HE-10 submission as adjusted by correcting AJEs and the prior year's Attachment HE-10a, GASBS No. 68 Entries. This tab identifies the fluctuations that exceed the scope below and require an explanation:

- Increases or decreases greater than 10% and \$3,900,000 or
- Increases or decreases greater than \$13,000,000 (regardless of percentage change)

Contact DOA if there is a fluctuation greater than the above scopes but it does not have a "yes" in the "*Is an explanation required?*" columns. Also, contact DOA if the prior year amounts including correcting AJEs and the GASBS No. 68 entries do not agree to the institution's records.

Note *: If applicable, TAB F8 Part 2 must be completed for significant intrafund activity/balance amounts reported in the HEI Total Year-End June 30, 2016, column that cannot be eliminated because a foundation reported on the Combining FST has a different year-end.

Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

Combining FST

Combining FST

The **Combining Financial Statement Template (Combining FST)** is similar to the FST; however, it is to record the amounts for the **foundations**. Most HEIs have at least one foundation. As stated on page 1, a foundation is defined for this attachment as a discrete component unit of the HEI as required by GASBS No. 39. The Combining FST has up to eight columns that can be used to record foundation amounts. A separate column must be used for each foundation. Record the foundation name, year-end date, and amounts. **Footnote/Informational TABs F1 to F10** must be completed for each foundation. The foundation name and year-end date are linked to the Combining FST. The **Foundation reconciliation tabs** must be completed for amounts in the Subtotals (Prior to Elimination Entries) or Foundation(s) Year-End Totals columns.

Differing Year-Ends: Foundations with a different year-end must use the balances/activity as of the year-end that ends during the fiscal year-end of the institution. For example, balances/activity for the year-ended December 31, 2015, would be used to report amounts on the Combining FST for fiscal year ended June 30, 2016, if the foundation has a calendar rather than fiscal year-end.

Elimination Entries Between Foundations: The HEI must key amounts in the column titled "Elimination Entries" to eliminate significant* intrafund balance/activity amounts among the foundations reported on the Combining FST. Generally, these elimination entries should not affect the ending net position balances. Of course, this column does not apply to those HEIs with only one foundation. Any significant* intrafund activity/balances between the foundations that cannot be eliminated because the foundations have different year-ends must be disclosed on the TAB F8, Intrafund, Part 1.

Note *: Professional judgment must be used to determine what is considered "significant" to the institution's individually published financial statements for purposes of identifying what eliminations are required.

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Line Items

Informational

Appendix 1: Chart of Accounts, includes a listing of the FST and Combining FST line items for the HEI and the foundation(s). Many line items are self-explanatory; however, below is additional information on certain line items:

- **Cash, Cash Equivalent, and Investment line items:** Additional information on these line items can be found in **Appendix 2: Cash, Cash Equivalents, and Investments**, including what to report on the “Restricted” Cash, Cash Equivalent, and Investment line items.
- **Contributions Receivable, Net** represents a promise a donor makes to give the foundation a contribution that is, in substance, unconditional. They are reported at the present value of their estimated future cash flows. This line item can **only** be used for the foundations.
- **“Other” line items:** A description must be provided on the applicable footnote/informational tabs for line items with “Other” in the title.
- **Claims Payable – Due Within One Year & Due in More Than One Year:** This line item is to report claims payable for self-insurance programs.
- **Long-Term Liabilities – Other Postemployment Benefits – Due in More than One Year:** This line item should be used to report any liabilities required to be reported in accordance with GASBS No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEBs). Since most institutions have OPEBs offered by the Commonwealth of Virginia, most institutions do not have this type of liability to report.

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Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

Line Items, Continued

Informational,
continued

-
- **Long-Term Liabilities – Trust and Annuity Obligations** represent obligations owed to beneficiaries under the terms of trust or annuity agreements. For example, split-interest agreements usually provide that the HEI or foundation act as trustee for the gift assets, with the requirement that an annual distribution be made to a specified beneficiary. These distributions are usually for a fixed dollar amount (annuity trust) or a fixed percentage of the trust's fair market value (unitrust). The amount due within one year and the amount due in greater than one year must be reported separately on the FST or Combining FST. In addition, the Increase in Split-Interest Agreements line item should be used for positive changes (line item amount should be positive) and the Decrease in Split-Interest Agreements line item should be used for negative changes (line item amount should be negative).
 - **Net Investment in Capital Assets:** TABs 9 & F10 are to document the net investment in capital assets calculations.
 - **Revenue:** The revenue line items are as follows and descriptions can be found in the **Appendix 3: Revenue Classifications:** Program Revenue-Charges for Services, Program Revenue-Operating Grants & Contributions, Program Revenue-Capital Grants & Contributions, Grants & Contributions not Restricted to Specific Programs, Investment Earnings (not meeting program revenue definitions), Miscellaneous Revenue, Contributions to Permanent Endowments, Contributions to Term Endowments.
 - **Extraordinary Items:** These represent transactions/events that are both unusual in nature and infrequent in occurrence. Descriptions must be provided for these items.
 - **Special Items:** These represent significant transactions/events that are within the control of management and are unusual in nature or infrequent in occurrence. Descriptions must be provided for these items.
-

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Miscellaneous Information – HEI

**HEI -
appropriation
available**

The amounts reported on the following line items represent GLA 101, Cash held with Treasurer of VA, reported on CARS as of year-end for the General Fund that will be reappropriated and were reported on the previously submitted Attachment HE-8. These reappropriated amounts must be supported by the Department of Planning and Budget authorizations.

- Appropriations Available – Capital Projects
 - Appropriations Available – Other
-

**HEI -
inventory**

Include materials and supplies in the inventory line item on the financial statement template. Disclose any liens from pledging or assigning inventory in the Part 1 Inventory section of Attachment HE-10 (TAB 7, Miscellaneous). **Do not include** consigned inventory in inventory.

Use the **consumption method** when reporting inventory. This reporting method stipulates that inventory items to be used in operations must be reported as financial resources (assets) when acquired, and expenses must be recognized when the items are used. Many institutions may be currently recording inventory items as expenses when purchased (the purchase method); therefore, this accounting methodology requires an adjusting journal entry to record an asset and to reduce expenses for the unused inventory as follows:

Debit: Inventory	XXX	
	Credit: Expenses	XXX

Donated food must be counted for federal reporting purposes. If the institution took physical custody of **donated food or other donated inventory** that was or will be distributed by the institution (excluding donated inventory in which the institution only acts in an administrative capacity) and eligibility requirements per GASBS No. 33 have been met; the fair value of the donated inventory must be recognized as revenue (credit) and inventory (debit). As the donated inventory is consumed (used), expenses would be debited and inventory would be credited. The year-end balances of the donated inventory would be included in the Inventory amount reported on the financial statement template. Questions regarding donated inventory are included in the Part 1 Inventory section of Attachment HE-10 (TAB 7, Miscellaneous).

Continued on next page

Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template

Miscellaneous Information - HEI, Continued

**HEI –
net position for
endowments**

Contributions to permanent **and** term endowments should be reported as separate line items on the financial statement template. The line items are “Contributions to Permanent Endowments” and “Contributions to Term Endowments.” The net position of permanent and term endowments **are** distinguished on the financial statement template as follows:

Permanent Endowment – Permanent endowment funds are funds with respect to which donors or other outside agencies have stipulated that the principal be maintained in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to principal. Therefore, the principal portions should be reported as restricted net position – nonexpendable and the investment income should be reported as restricted net position – expendable. The unrealized appreciation may be nonexpendable or expendable depending on the donor's specifications and applicable state law.

Term Endowment – Similar to permanent endowment funds except that, upon passage of a stated period of time or the happening of a particular event, all or a part of the principal may be expended. Therefore, only a temporary restriction on net position exists and term endowment funds should be reported as restricted net position – expendable.

Quasi-Endowment – Quasi-endowment funds are funds which the governing board of an institution, rather than a donor or outside agency, has determined are to be retained and invested. Since these funds are internally designated rather than externally restricted, the governing board has the right to decide at any time to expend the principal. Therefore, quasi-endowment funds may be either restricted or unrestricted. Quasi-endowments created with restricted resources must be reported as expendable restricted net position. Those created with unrestricted resources must be reported with unrestricted net position, but could be described in a note to the financial statements indicating that they have been designated for long-term investment.

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Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Miscellaneous Information – HEI, Continued

**Internal use
computer
software
costs**

Computer software, including websites that must be capitalized in accordance with GASBS No. 51, must be reported on the applicable capital asset FST line items. For additional information, see the **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 17 regarding GASBS No. 51** pdf document available on DOA’s website.

Note: The CAPP Topic No. 30325, “Software and Other Intangible Assets,” has additional information regarding GASBS No. 51. Thresholds and/or capitalization criteria provided in the CAPP Manual for software and other intangible assets are from the Commonwealth’s perspective and may vary from the institution’s thresholds and/or capitalization criteria.

**Summer school
sessions that
cross fiscal
years**

The answer to the Implementation Guide No. 2015-1, question 7.72.13 requires revenues from tuition and fees for an academic term that encompasses two fiscal years to be allocated between the two years. The revenues should be accrued during the period earned.

**Unrealized
gains and losses**

Unrealized gains and losses should be reported as revenue in accordance with paragraph 13 of GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Lag pay

Record any applicable lag pay accruals in the financial statement template. At a minimum, this will require recording of the July 1 (June 10-24 pay period) and a portion of the July 15 (June 25-30 pay period) payrolls.

**Pell Grants –
individually
published
financial
statements**

The Implementation Guide No. 2015-1 question 7.72.10 clarified how colleges and universities should report Pell Grants. In summary, because of an institution’s administrative involvement with Pell Grant requirements and because Pell Grants are nonexchange transactions, Pell Grant receipts should be reported as nonoperating revenues in the institution’s individually published financial statements and any amounts applied to student receivable accounts should be recorded as scholarship discounts or allowances. Refer to the Implementation Guide No. 2015-1 for additional information.

Continued on next page

**Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template**

Miscellaneous Information – HEI, Continued

Accounts Payable-Salaries/ Wages FST line item

The Accounts Payable – Salaries/Wages FST line item should include salaries, wages and employee benefits payable as of year-end, excluding amounts owed to VRS discussed in the next section. Amounts owed to the Department of Human Resource Management’s (DHRM) Health Insurance Fund (HIF) for employee benefits as of year-end would be included in this FST line item. DOA will make reclassifications to decrease the Accounts Payable – Salaries/Wages FST line item and increase the following “Due to” line item:

Due to Primary Government	Amounts owed to DHRM’s HIF
---------------------------	----------------------------

This reclassification will be made by DOA for CAFR reporting purposes only and is not required to be made by the institutions when preparing the financial statement template. DOA will make this reclassification for all institutions based on information to be provided by DHRM. If the institution does not expect to report the amounts owed to DHRM’s HIF for employee benefits on the “Accounts Payable-Salaries/Wages” FST line item, contact Christy Tuck to discuss.

Due to External Parties (Fiduciary Funds) FST line item

The Due to External Parties (Fiduciary Funds) FST line item should include amounts owed to the Virginia Retirement System (VRS) for VRS sponsored programs for employee benefits as of year-end. DOA will compare these amounts to amounts provided by VRS to determine if any reclassifications will be needed so due tos/froms in the CAFR will equal.

Continued on next page

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Miscellaneous Information – HEI, Continued

ARRA Build America Bonds

Build America Bonds (BABs) for VCBA pooled and 9c bonds provide a federal subsidy on interest payments. The interest subsidy should be reported on the FST as “Program Revenue – Operating Grants and Contributions” and the interest expense should be reported on the “Operating and Nonoperating Expenses” FST line item. In other words, **do not net** the interest subsidy with the interest expense. This guidance is consistent with the response to question Z33.25 in the Implementation Guide No. 2015-1. In addition, a receivable should be reported for the following subsidies to be received after year-end: 1) subsidy portion of the interest payments due and paid during FY 2016 and the subsidy is to be received after year-end, and/or 2) subsidy portion of the year-end accrued interest payable that represents the subsidy to be received after year-end. These receivables should be reported on the “Receivable, Net” FST line item and they should be included in the interest receivable category in the Attachment HE-10 TAB 2.

Accrued Interest Payable FST line item

Most institutions report bonds payable including VCBA pooled, 9c, and/or 9d bonds payable amounts on the financial statement template. Accrued interest payable due and paid after year-end related to these bonds (i.e., interest payable accrued as of year-end - between the last payment date during the fiscal year and June 30) should be reported on the financial statement template as well as the institution’s individually published financial statements.

Bonds payable – due within one year

For consistency in the Commonwealth’s Comprehensive Annual Financial Report (CAFR), the amounts reported on the long-term liabilities – bonds payable – due within one year Attachment HE-10 Financial Statement Template (FST) line item should agree to the FY 2017 principal payments only. This guidance is also applicable to VCBA Pooled bonds reported on the applicable notes payable FST line items. Note: If demand bonds and/or callable bonds because of a debt violation must be reported as a current liability in accordance with GASB Interpretation 1 and/or GASBS No. 62, report on the applicable bonds payable or notes payable – due within one year FST line item.

Unamortized premiums

For consistency in the CAFR, any unamortized premium should be reported on the Attachment HE-10 as long-term liabilities – bonds payable – due in more than one year for bonds payable and long-term liabilities – notes payable – due in more than one year for VCBA Pooled bonds.

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Fluctuation Analysis

**HEI Flux &
Foundation
Flux**

These tabs can be used to provide explanations for the significant fluctuations reported on the FST. After keying amounts into the FST and Combining FST tabs, use the filter function and select “yes” for the “*Is an explanation required?*” column and only those line items requiring an explanation will appear. Contact DOA if there is a fluctuation greater than the scopes noted below; however, these tabs do not have a “yes” for those line items in the “*Is an explanation required?*” column.

- Increases or decreases greater than 10% and \$3,900,000 or
- Increases or decreases greater than \$13,000,000 (regardless of percentage change)

Most institutions elect to provide explanations on these tabs; however, an institution can provide explanations in a separate document. If explanations are provided in a separate document, it should include the following: FST line item, \$ fluctuation, % fluctuation, and explanation.

A fluctuation analysis is an important control to help ensure that amounts are properly classified and reported. **Explanations should be understandable and adequately explain the reason for the fluctuation.** If a misclassification or misstatement is identified when preparing the fluctuation analysis, corrections should be made to the FST and/or Combining FST tab prior to submission*. Therefore, it is important to allow plenty of time to properly prepare and review the fluctuation analysis prior to submission to DOA.

Some explanations provided last year were not complete and did not clearly document the reason for the fluctuations. The preparer and reviewer should read the explanations from the perspective of an outside party and see if the explanation is reasonable. DOA may request clarification or additional information if an explanation is not clear.

Note*: If you are explaining a fluctuation on the HEI-Flux or Foundation-Flux tabs and realize an adjustment or reclassification is needed to the FST and/or Combining FST tabs, you must take the following steps. First, make the change to the appropriate tab, either the FST and/or the Combining FST tab. Then return to the HEI-Flux and/or Foundation-Flux tab. In the “Is an explanation required?” column, use the filter to “Select All” so all items will appear. Then use the filter again to select “yes”. Otherwise, these tabs will not show the revised fluctuation amounts and percentages. Revise the fluctuation explanation(s), if needed.

Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template

Elimination Entries to FST

**Elimination
Entries to FST**

Elimination Entries to FST tab: All significant* elimination entries for intrafund balance/activity amounts among the HEI and the foundation(s) must be recorded on the “Elimination Entries to FST” tab. This tab has a column for elimination entries to the HEI amounts and another column for the elimination entries to the Foundation amounts. After entering all elimination entries, ensure there are no “ERROR” messages on this tab or the FST tab. The “Elimination Entries” column on the FST is linked to the “**Elimination Entries to FST – Combined Total**” column in this tab. Any significant* intrafund balance/activity amounts not eliminated because the foundation(s) has a differing year-end (i.e. March 31st or December 31st) must be reported on TAB F8, Intrafund.

As noted previously, all significant* elimination entries for intrafund balance/activity amounts among the foundations reported on the Combining FST tab must be reported in the Elimination Entries column on the Combining FST tab.

The following FST and/or Combining FST line items can be used to report significant* intrafund activity/balances that must be eliminated. These line items are optional; however, if these line items are used the combined total amounts on the FST tab must be zero after entering all amounts and applicable elimination entries. If these line items are not used, the significant* intrafund activity/balances reported on other line items must be eliminated.

- Due from Foundation(s)
- Due to Foundation(s)
- Due from Higher Education Institution
- Due to Higher Education Institution
- Payments/Support from Foundation(s)
- Payments/Support to Foundation(s)
- Payments/Support from the Higher Education Institution
- Payments/Support to the Higher Education Institution

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

**Comptroller’s Directive 2-16
Attachment HE-10
Financial Statement Template**

Footnote/Other Information for HEI (TABs 1A to 9)

Overview

This section discusses the **TABs 1A through 9 to obtain either HEI footnote and/or other information**. “ERROR” messages will appear if the amounts do not agree to the amounts reported on the FST and/or Elimination Entries to FST tabs for the applicable HEI amounts. Check figures are displayed in red and should help determine why an “ERROR” message appears.

**TAB 1A,
GASBS 3**

Follow the procedures below to provide cash, cash equivalents, and investment amounts for the HEI

Part	Guideline
1	Report the institution’s CARS GLA 101 balance by fund, excluding funds 0100 and 0965. This amount should agree to the applicable Cash held with Treasurer of VA line items on the Statement of Net Position. If the total amount reported does not equal CARS GLA 101, excluding funds 0100 and 0965, submit a reconciliation by fund with the attachment.
2	<p>Amounts for the following line items are linked to the FST.</p> <ul style="list-style-type: none"> • Cash not held with Treasurer of Virginia • Restricted Cash not held with Treasurer of Virginia <p>The total of these amounts must be recorded on Attachment HE-11-detail tab – Part 1a. Attachment HE-11 requires additional footnote information on these line items.</p>
3	<p>Key in Nonnegotiable Certificates of Deposits (CDs) not held with the Treasurer of Virginia in the applicable spaces provided. These amounts must be recorded on the Attachment HE-11-detail tab-Part 1.1a. The following amounts are linked to the FST:</p> <ul style="list-style-type: none"> • Restricted SNAP Individual Portfolio– Cash Equivalents • Restricted SNAP Individual Portfolio - Investments • Cash Equivalents & Restricted Cash Equivalents not held with Treasurer of Virginia • Investments & Restricted Investments not held with Treasurer of Virginia <p>The total of these amounts (excluding nonnegotiable CDs not held with the Treasurer of VA) must be recorded on Attachment HE-11-detail tab – Part 3. Attachment HE-11 requires additional footnote information on these line items.</p>

Continued on next page

**Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template**

Footnote/Other Information for HEI (TABs 1A to 9), Continued

**TAB 1A,
GASBS 3,
continued**

Follow the procedures below:

Part	Guideline
4a & b 4c & d	<p>Provide descriptions and amounts for the following amounts held with the Treasurer of VA:</p> <ul style="list-style-type: none"> • Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP) • Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP): • Investments held with Treasurer of VA (excludes SNAP) • Restricted Investments held with Treasurer of VA (excludes SNAP):
5a & b	For any Local Government Investment Pool (LGIP) and/or Restricted Local Government Investment Pool amounts, provide the LGIP account # and amounts.
6a	For any Restricted State Non-Arbitrage (SNAP) Fund amount, provide the SNAP account # and amounts.
6b	For any amounts reported on the two Restricted SNAP Individual Portfolio line items, provide the SNAP account # and amounts.

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

**TAB 2,
Receivables**

Part 1) Provide the following footnote information:

- Gross amounts by category
- Description and gross amounts for "Other Receivables" category
- Allowance for doubtful accounts
- Net receivables expected to be collected in greater than one year.

Receivable Reconciliation (HEI only): If the total net receivable amount reported in Part 1 plus other receivable/due from amounts per the FST tab for the HEI does not agree to the total net receivable amount reported in DOA's accounts receivable system, the Supplemental Information Item 7a must be submitted to explain the differences. The Supplemental Item 7a is a separate Excel file available on DOA's website. As a reminder, data must be keyed into DOA's accounts receivable system by the Attachment HE-10 due date.

Part 2) Provide the footnote information for elimination entries to the HEI amount reported on the Elimination Entries to FST tab.

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Footnote/Other Information for HEI (TABs 1A to 9), Continued

TAB 3, Capital Assets

Capital assets reported on TAB 3 should also include intangible assets as required to be reported as capital assets in compliance with GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets**. Provide the following footnote information:

Part 1) Schedule of Changes in Capital Assets

Part 1a) Comparison of Beginning Balances to Prior Year's Ending Balances: This compares the prior year's ending balances to the current year's beginning balances and calculates differences. After selecting the institution's acronym, prior year's ending balances will appear and the #N/As will disappear. Contact DOA if the prior year amounts do not agree to the prior year's ending balances as adjusted for correcting TAB 3 AJEs. The amounts in the Balance July 1, 2015, column are linked to Part 1. Differences must be explained.

Part 2) Capital Asset Capitalization Policy: The capitalization policy has been revised for GASBS No. 72.

Part 3) Works of Art/Historical Treasures

Parts 4.1 to 4.3) GASBS No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*: See **Additional Information: Attachment HE-10 – TAB 3 – Part 4 regarding GASBS No. 42** on DOA's website for additional guidance.

Part 5) This is for **elimination entries** reported on the Elimination Entries to FST tab to the HEI's capital asset line items.

Note*: TAB 7 Part 17 has questions regarding GASBS No. 51. See **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 17 regarding GASBS No. 51** on DOA's website for additional guidance.

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Footnote/Other Information for HEI (TABs 1A to 9), Continued

**TAB 5, LT
Liabilities**

This tab provides the following footnote information:

Part 1) Schedule of Changes in Long-Term Liabilities and Claims Payable

Part 1a) Comparison of Beginning Balances to Prior Year Ending Balances:
This compares the prior year's ending balances to the current year's beginning balances and calculates differences. After selecting the institution's acronym, the prior year's ending balances will appear and the #N/As will disappear. Contact DOA if the prior year amounts do not agree to the prior year's ending balances as adjusted for correcting TAB 5 AJEs. The amounts in the Balance July 1, 2015, column are linked to Part 1. Differences must be explained.

Part 1b) This part is for informational purposes to provide deferral on debt defeasance amounts for the different categories of notes and bonds payable. DOA will compare certain deferral on debt defeasance amounts to information provided by the Department of Treasury. Both deferral on debt defeasance loss and deferral on debt defeasance gain amounts should be reported as positive amounts in Part 1b.

Part 2) Schedule of Installment Purchase Obligations

Part 3) Schedule of Future Capital Lease Payments & Related Capital Asset Balances

Part 3a) Subleases

Parts 4 & 4a) Bonds Payable (Institutional Debt) – Part 4 is to provide future interest and principal payments. Part 4a is to provide issue dates and interest rates for fixed rate debt and variable rate debt separately. (Note: Applicable institutions must also submit Supplemental Information Items 7c and 7d as required in the Supplemental Information section of the Comptroller's Directive No. 2-16.)

Parts 5 to 8) These are for **elimination entries** reported on the Elimination Entries to FST tab to the HEI's long-term liability line items.

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

**TAB 6,
Commitments**

This tab provides the following footnote information for the HEI:

Parts 1, 3, and 3a) Operating Leases and Subleases
Parts 2 and 4) Other Commitments

Note: Amounts reported should exclude significant commitments between the HEI and the foundations.

**TAB 7,
Miscellaneous**

This tab provides the following footnote information for the HEI.

Part 1) Inventory

Part 2) Restricted Cash and Cash Equivalents/Restricted Investments/Other Restricted Assets

Part 3) Unearned Revenue

Part 4) GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*: For additional information on this part, see [Appendix 4, GASBS No. 62 Overview](#), in this document. This part has been revised for GASBS No. 72 and GASBS No. 76.

Parts 5 & 6) GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASBS No. 38, *Certain Financial Statement Note Disclosures*

Part 7) Contingent Liabilities

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Footnote/Other Information for HEI (TABs 1A to 9), Continued

**TAB 7,
Miscellaneous,
continued**

Part 8) Subsequent Events

Part 9) Flow Assumption for Restricted Resources

Part 10) Donor-Restricted Endowments

Part 11a & b) Other Liabilities & Accounts Payable – Other

Parts 12a & b) Other Assets & Other Restricted Assets

Part 13) GASBS No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans (OPEBs)*, and GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*

Parts 14 & 15) GASBS No. 47, *Accounting for Termination Benefits*, and GASBS No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

Part 16) GASBS No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*: For additional information on this part, see the **Additional Information: Attachment HE-10 – TAB 7 – Part 16 regarding GASBS No. 49** on DOA’s website.

Part 17) GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 – Part 17 regarding GASBS No. 51** on DOA’s website.

Part 18) GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 7 – Part 18 & Supplemental Item 7b regarding GASBS No. 53** on DOA’s website. This part has been revised for GASBS No. 72.

Part 19) GASBS No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*

Part 20) GASBS No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*: This part has been revised for GASBS No. 72.

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Footnote/Other Information for HEI (TABs 1A to 9), Continued

**TAB 7,
Miscellaneous,
continued**

Part 21) GASBS No. 61, *The Financial Reporting Entity: Omnibus*: For Additional information on this part, see **Additional Information: Attachments HE-6 & HE-10 – TAB 7 – Part 21 regarding GASBS No. 61** on DOA's website.

Part 22) GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 7 – Parts 22 & 23 regarding GASBS No. 63 & GASBS No. 65** on DOA's website.

Part 23) GASBS No. 65, *Items Previously Reported as Assets and Liabilities*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 7 – Parts 22 & 23 regarding GASBS No. 63 & GASBS No. 65** on DOA's website.

Part 24) GASBS No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*: This is to obtain information regarding nonexchange financial guarantees.

Part 25) GASBS No. 69, *Government Combinations and Disposals of Government Operations*: This part is to obtain information regarding government combinations and disposals of government operations.

Part 26) GASBS No. 52, *Land and Other Real Estate Held as Investments by Endowments*: This part is to obtain information regarding land and other real estate held as investments by endowments. This part was previously included in the TAB 1A, GASBS 31 & 52 & 59, and has been revised because GASBS No. 72 amended GASBS No. 52.

Part 27) GASBS No. 72, *Fair Value Measurement and Application*: This part is to obtain information regarding items measured at fair value using the fair value hierarchy (Level 1, Level 2, Level 3), and items that fair value is established using the net asset value per share (or its equivalent) as permitted by GASBS No. 72. Also, it is to obtain information regarding items received during FY 2016 that are reported at acquisition value for donated capital assets, donated works of art, historical treasures and other similar items, and capital assets received in a service concession arrangement.

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Footnote/Other Information for HEI (TABs 1A to 9), Continued

Tab 8, Short-term Debt

This tab is to provide detail for short-term debt activity during the year with a party **external** to the Commonwealth in accordance with GASBS No. 38.

Tab 9, Net Inv in Cap Assets

This tab is to document the calculation of the net investment in capital assets amount. This is a net position line item and is calculated as follows:
Total capital assets net of the following items:

- Debt related to capital assets,
- Unspent proceeds on debt related to capital assets (excluding investment earnings on proceeds)*,
- Accounts/retainage payable to be paid with the unspent proceeds on debt related to capital assets*,
- Deferred outflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets,
- Deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets, and
- Other items, if any, the HEI determines should be included in the calculation.

Note *: If an amount is reported in the “Include unspent proceeds on debt related to capital assets” category, any accounts/retainage payables that will be paid from these unspent proceeds should also be included in the calculation.

If capital assets purchased with bond proceeds subsequently become permanently impaired, ensure the capital assets and debt related to capital asset amounts are revised accordingly.

This tab includes informational totals that show what amounts are reported on the FST and/or Elimination Entries to FST tabs for short-term debt (lines of credit) line item. It also has informational totals per the TAB 7 Parts 22a & 22b regarding the deferral on debt defeasance-loss and deferral on debt defeasance-gain amounts.

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Footnote/Other Information for HEI (TABs 1A to 9), Continued

**TAB 9, Net Inv
in Cap Assets,
continued**

Below is a simple example of how to calculate this amount using the following information: total capital assets of \$10,100,000; bonds payable related to the construction of a building that total \$5,000,000, unspent bond proceeds reported as restricted cash related to this debt of \$2,000,000; accounts/retainage payable amounts to be paid from the unspent proceeds of \$100,000.

Total Capital Assets – including intangible assets	\$10,100,000
Less: Long-Term Liabilities - Bonds Payable	-5,000,000 *
Add: Unspent Bond Proceeds on debt related to capital assets (excluding investment earnings)	2,000,000 *
Less: Accounts/Retainage payable to be paid from the above unspent bond proceeds	<u>-100,000</u>
Net Investment in Capital Assets	<u>\$7,000,000</u>

Note*: This example assumes the difference between the bonds payable and the unspent bond proceeds represents \$3,000,000 of bond proceeds already spent and included in capital assets.

The total capital asset and the long-term debt amounts are linked to the FST. Since the total debt amounts are linked to the FST and will show as a negative amount, any of the debt amounts that are not related to capital assets must be recorded as a positive amount to exclude from the calculation. Unspent bond proceeds on debt related to capital assets and deferred outflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets must be included in the calculation as a positive amount. The short-term debt is not linked to the FST; therefore, any short-term debt related to capital assets must be included in the calculation as a negative amount. Accounts and retainage payable amounts to be paid with unspent proceeds on debt related to capital assets and deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets must be included in the calculation as a negative amount.

Some HEIs have eliminations entries that affect capital asset and/or debt line items. If the HEI has elimination entries that affect these line items, the second column is to document the calculation of the net investment in capital assets based on the elimination entries.

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Footnote/Other Information for Foundations (TABs F1 to F10)

Background

Institutions are **not** expected to convert foundation FASB footnotes into GASB footnotes; however, there will be some additional information needed from foundations in order to report information in the CAFR. This section discusses **TABs F1 through F10** to obtain **foundation footnote and/or other information**.

“ERROR” messages will appear if amounts do not agree to the Combining FST and/or Elimination Entries to FST for the applicable foundation amounts. Check figures are displayed in red and should help determine why an “ERROR” message appears.

TAB F1

Tab F1, Cash, Cash Eqv, and Inv, include the following for the foundations:

- Part 1) Answer questions regarding cash and cash equivalents (including restricted cash and cash equivalents).
 - Part 2a) Record the fair value of investments (including restricted investments). There are two columns to record footnote elimination entries to foundation investment and restricted investment amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.
 - Part 2b) State whether any amounts reported in Part 2a are reported at cost rather than fair value.
 - Part 3a) State whether the foundation has any amounts invested in LGIP. If yes, complete TAB F2, SNAP & LGIP.
 - Part 3b) State whether the foundation has any amounts invested in SNAP. If yes, complete TAB F2, SNAP & LGIP.
-

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Footnote/Other Information for Foundations (TABs F1 to F10),

Continued

TAB F2

TAB F2, SNAP & LGIP: If the foundation has any amounts invested in the State Non-Arbitrage Program (SNAP) or the Local Government Investment Pool (LGIP) during the year or at year-end, provide the account numbers and year-end balances. The Combining FST line item for these amounts must be provided. A drop-down list is provided with the following line items:

- | | |
|-----------------------|------------------------------------|
| Part 1) LGIP amounts: | Cash & Cash Equivalents |
| | Restricted Cash & Cash Equivalents |
| Part 2) SNAP amounts: | Restricted Cash & Cash Equivalents |
| | Restricted Investments |

The SNAP amounts should be reported on the “Restricted” line items because balances represent unspent bond proceeds. Judgment must be used to determine if any LGIP amounts should be reported on the “Restricted” line items. (See Checklist tab item 9 for further guidance.)

**TAB F3,
Receivables**

Part 1) Receivables, Net must have the following disclosures: gross amounts by category (including a description for the “other” category), allowance for doubtful accounts, and net amount expected to be collected in greater than one year. The institution may need to require this additional information from the foundation if the foundation’s financial statements and /or footnotes do not clearly indicate the type of receivable, gross and allowance amounts, and the net amount expected to be collected in greater than one year.

Part 2) Contributions Receivable, Net must have the following disclosures: amount due in less than one year, amount due between one and five years, amount due in more than five years, present value discount, allowance for uncollectible contributions, and discount rate used to determine present value.

This tab has two columns to record footnote elimination entries to these foundation receivable amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

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Footnote/Other Information for Foundations (TABs F1 to F10),

Continued

TAB F4, Capital Assets

Provide year-end capital asset amounts by category, gross amounts, and accumulated depreciation amounts. There are two columns to record footnote elimination entries to foundation capital asset amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

Note: Since foundations follow FASB rather than GASB standards, this tab does not include intangible assets within the capital asset line items. If a foundation has an intangible asset as of year-end, it must be reported on other line items (i.e., Other Assets, Other Restricted Assets, etc.) See also TAB F7 Part 9.

TABS F5 & F5.1 LT Liabilities

The TAB F5 has four parts to obtain descriptions, payees, and outstanding balances for the following:

- Part 1) Notes Payable
- Part 2) Bonds Payable
- Part 2a,b) Demand Bonds & Callable Bonds because of Debt Violations
- Part 3) Capital Lease Obligations
- Part 4) Installment Purchase Obligations

In addition, TAB F5 has the following three parts to obtain descriptions and outstanding balances of the following:

- Part 5) Long-Term Liabilities – Other
- Part 6) Long-Term Liabilities – Other Postemployment Benefits (OPEBs)
- Part 7) Claims Payable

TAB F5.1 has four parts to obtain future payments on the amounts reported on the TAB F5 Parts 1 to 4. The future payments are for the next five years and then a total for all years thereafter. Capital asset balances must be provided for any capital assets purchased with the capital leases. There are two columns to record footnote elimination entries to the applicable foundation line items reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

TAB F6, Commitments

- Part 1) Provide information on operating lease agreements.
- Part 2) Provide information on any other commitments.

Note: Amounts reported should exclude significant intrafund commitments between the foundations and the HEI and among the foundations.

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Footnote/Other Information for Foundations (TABs F1 to F10),

Continued

TAB F7,
Miscellaneous

This tab has questions in the following categories:

Part 1)	General
Part 2)	Restricted Cash and Cash Equivalents, Restricted Investments, and Other Restricted Assets
Part 3)	Split-Interest Agreements
Part 4)	Contingent Liabilities
Part 5)	Subsequent Events
Part 6)	Significant Intrafund Balance/Activity Amounts not Eliminated because of Different Year-End Dates
Parts 7a & 7b)	Other Assets & Other Restricted Assets
Part 8)	Other Liabilities
Part 9)	Intangible Assets
Part 10)	Derivative Instruments

TAB F8,
Intrafund

This tab must be completed if **both** of the following conditions are met.

1. The foundation has a year-end other than June 30 (i.e., December 31 year-end, March 31 year-end, etc.)
2. The HEI and the foundation(s) have significant intrafund balance/activity amounts reported on the FST that have not been eliminated because of different fiscal years **or** the foundations reported on the Combining FST have significant intrafund balance/activity amounts reported on the Combining FST that have not been eliminated because of different fiscal years.

If both conditions are met, provide the FST line items and amounts that were not eliminated. Part 1 is to report foundation amounts that cannot be eliminated and Part 2 is to report the HEI amounts that cannot be eliminated. Different year-ends make the elimination entries a little more complicated. Any significant intrafund activity/balances that are not eliminated because of different year-ends (either between the HEI & foundation(s) or among the foundation(s)), must be disclosed on TAB F8.

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Footnote/Other Information for Foundations (TABs F1 to F10),

Continued

TAB F8,
continued

Below is an example of how this type of activity/balances should be reported on the Attachment HE-10 for FY 2016 if a HEI has a foundation with a December 31 year-end:

Significant intrafund balances reported on the Statement of Net Position

HEI/Foundation	As of 12/31/2015	As of 6/30/2016
Foundation (calendar year-end)	Disclose on TAB F8 – Part 1	n/a
HEI (fiscal year-end)	n/a	Disclose on TAB F8 – Part 2

Significant intrafund activity reported on the Statement of Activities

HEI/Foundation	1/1/2015 to 6/30/2015	7/1/2015 to 12/31/2015	1/1/2016 to 6/30/2016
Foundation (calendar year-end)	Disclose on TAB F8 – Part 1	Record on Elimination Entries to FST tab (Foundation column)	n/a
HEI (fiscal year-end)	n/a	Record on Elimination Entries to FST tab (HEI column)	Disclose on TAB F8 – Part 2

TAB F9,
Short-Term Debt

Complete this tab if amounts are reported on the following line items:

- Part 1) Short-Term Debt line item
- Part 2) Long-Term Liabilities – Bond Anticipation Notes Payable line items

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Footnote/Other Information for Foundations (TABs F1 to F10),

Continued

TAB F10,
Net Inv in Cap
Assets

This tab is to document the calculation of the net investment in capital assets. See instructions for TAB 9 for additional information*.

Note*: This is similar to TAB 9 for the HEI; however, there are differences since foundations follow FASB rather than GASB standards. For example, intangible assets are not included in the capital asset line items. Therefore, intangible assets reported by the foundations would not be included in this calculation unless any intangible assets are reported on the existing capital asset line items – i.e. equipment. Also, the categories regarding deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets are not included in TAB F10.

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Reconciliation Tabs – HEI & Foundations

Reconciliation tabs

The following eight reconciliation tabs are to document the reconciliation between the institution’s individually published financial statements (institution format) and the FST/Combining FST (CAFR format):

HEI-Assets & Def. Outflows	Foundations-Assets
HEI-Liabilities & Def. Inflows	Foundations-Liabilities
HEI-Net Position	Foundations-Net Position
HEI-Rev, Exp, and Chgs	Foundations-Rev, Exp, and Chgs

Each tab is set up with column headers representing financial statement template (FST) or Combining FST line items and rows representing the institution’s individually published financial statement line items.

The institution’s individually published financial statement line items must be reported on the applicable rows. Amounts must be reported in the applicable columns and column totals must agree to the applicable FST or Combining FST line items (**see Note A**). The row line items and totals should agree to the SNP & SRECNP submitted along with the Attachment HE-10 as required by Supplemental Information Item 7 and the final SNP and SRECNP that will be submitted along with the Attachment HE-13 as required by Supplemental Information Item 8. The institution must ensure that the line item titles per the individually published financial statements are reasonable when compared to the FST or Combining FST.

Note A: The four HEI tabs will display an “ERROR” message if the column totals do not agree to the “HEI Total Year-End June 30, 2016” column on the FST. The column totals on the four foundation tabs should agree to either the “Subtotals (Prior to Elimination Entries)” or the “Foundation(s) Year-End Totals” columns reported on the Combining FST. If the institution does not include the elimination entries that are reported on the Combining FST in their individually published financial statements, then the column totals should agree to the “Subtotals (Prior to Elimination Entries)” column amounts. The four foundation tabs will not display an “ERROR” message if column totals do not agree to the Combining FST because some institutions exclude and some institutions include the elimination entries in the individually published financial statements. Informational totals have been provided to show the subtotal and year-end totals reported on the Combining FST. The column totals on the foundation reconciliation tabs should agree to one of these two amounts.

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Checklist & Certification

Checklist

This tab should be completed after completing all tabs except for the Certification tab. This tab includes questions regarding HEI and foundation amounts/information as a reasonableness check to determine the following: 1) completeness, 2) accuracy, and 3) consistency.

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Note: Information in this attachment should be accurate, complete, properly classified, and adequately reviewed prior to submitting to DOA. In addition, the institution should not rely on DOA to identify misclassifications and/or misstatements.

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Financial Statement Template

Errors Discovered after Submission

**Errors
discovered after
submission**

Institutions must ensure that all efforts have been made to submit a complete and accurate Attachment HE-10. However, if the institution discovers an unexpected error in the attachment after the submission, the Fiscal Officer must send an e-mail with the subject line **“Error discovered after template submission”** to:

Sharon Lawrence, Director of Financial Reporting, at Sharon.Lawrence@doa.virginia.gov and copy:
John Sotos, Assistant Director - Financial Statements, at John.Sotos@doa.virginia.gov,
Christy Tuck, Senior Lead Financial Reporting Analyst, at Christy.Tuck@doa.virginia.gov, and
Sara Page, Senior Financial Reporting Analyst, at Sara.Page@doa.virginia.gov, with the following information:

- Description of the error
- Dollar amount of the error
- Correcting AJE to the FST, Combining FST, and/or Elimination Entries to FST tabs
- Correcting entries to any other footnote/informational tabs
- Cause of the error
- Reason why the error was not discovered prior to the submission

If you do not receive an acknowledgement of receipt, call Sharon Lawrence at (804) 225-2414, John Sotos at (804) 225-2111, Christy Tuck at (804) 225-3180, or Sara Page at (804) 786-7014.

**Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template**

Appendix 1: Chart of Accounts

Statement of Net Position – (GASBS No. 34 government-wide format)

Assets	HEI- FST tab	Foundation- Combining FST tab
Cash held with Treasurer of VA	X(1)	
Cash not held with Treasurer of VA	X(1)	
Local Government Investment Pool	X(1)	
Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)	X(1)	
Cash Equivalents not held with Treasurer of VA (excludes SNAP)	X(1)	
Cash and Cash Equivalents		X(1)
Cash Equivalents (DOA Securities Lending AJE)	X(1)	
Investments held with Treasurer of VA (excludes SNAP)	X(1)	
Investments not held with Treasurer of VA (excludes SNAP)	X(1)	
Investments		X(1)
Investments (DOA Securities Lending AJEs)	X(1)	
Appropriations Available – Capital Projects	X(2)	
Appropriations Available – Other	X(2)	
Due from Primary Government	X	
Due from Component Units (VCBA 21 st Century)	X(3)	
Due from Component Units (VCBA – ETF)	X(3)	
Due from Primary Government (GOB)	X(3)	
Due from Primary Government (VPBA)	X(3)	
Receivables, Net	X	X
Contributions Receivable, Net		X
Due from Component Units	X	
Due from Higher Education Institution		X
Due from Foundation(s)	X	X
Inventory	X	X
Prepaid Items	X	X
Cash & Travel Advances	X	X
Advances (GASBS No. 33)	X	
Other Assets	X	X
Loans Receivable from Primary Government	X	
Loans Receivable from Component Units	X	

Note 1: See also **Appendix 2: Cash, Cash Equivalents, and Investments**

Note 2: Amounts per these line items should agree to the Attachment HE-8.

Note 3: Amounts per these line items should agree to the Attachment HE-9.

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**Comptroller's Directive 2-16
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Financial Statement Template**

Appendix 1: Chart of Accounts, Continued

Statement of Net Position – (GASBS No. 34 government-wide format)

<i>Assets, Continued</i>	HEI-FST tab	Foundation- Combining FST tab
Restricted Cash held with Treasurer of VA	X(1)	
Restricted Cash not held with Treasurer of VA	X(1)	
Restricted Local Government Investment Pool	X(1)	
Restricted State Non-Arbitrage Program (SNAP) Funds	X(1)	
Restricted SNAP Individual Portfolio – Cash Equivalents	X(1)	
Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)	X(1)	
Restricted Cash Equivalents not held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Cash and Cash Equivalents		X(1)
Restricted SNAP Individual Portfolio - Investments	X(1)	
Restricted Investments held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Investments not held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Investments		X(1)
Other Restricted Assets	X	X
Nondepreciable Capital Assets:		
Land	X	X
Construction in Progress	X	X
Inexhaustible Works of Art and/or Historical Treasures	X	X
Livestock	X	X
Intangible Assets with indefinite useful life (GASBS No. 51)	X	
Depreciable Capital Assets:		
Buildings	X	X
Equipment	X	X
Infrastructure-Historical Approach	X	X
Improvements Other Than Buildings	X	X
Works of Art and/or Historical Treasures	X	X
Library Books	X	X
Intangible Assets (GASBS No. 51):		
Computer Software (including websites)	X	
Patents, Trademarks, and/or Copyrights	X	
Water Rights and/or Easements	X	
Other	X	
Deferred Outflows of Resources	X	

Note 1: See also [Appendix 2: Cash, Cash Equivalents, and Investments](#)

Continued on next page

**Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template**

Appendix 1: Chart of Accounts, Continued

Statement of Net Position – (GASBS No. 34 government-wide format)

	HEI- FST tab	Foundation- Combining FST tab
Liabilities		
Accounts Payable, Vendor Payments	X	
Accounts Payable, Salaries/Wages	X	
Accounts Payable, Retainage Payable	X	
Accounts Payable, Other	X	
Advances from the Treasurer of VA	X	
Foundation(s) – Accounts Payable		X
Due to Other Governments (i.e. Federal/Local Govts.)	X	X
Due to Primary Government	X	
Due to External Parties (Fiduciary Funds) - amounts owed to VRS	X	
Due to Component Units	X	
Due to Higher Education Institution		X
Due to Foundation(s)	X	X
Unearned Revenue	X	X
Obligations Under Securities Lending Program	X	X
Accrued Interest Payable	X	X
Other Liabilities	X	X
Deposits Pending Distribution	X	X
Short-Term Debt (i.e. lines of credit)	X	X
Grants Payable	X	X
Loans Payable to Primary Government (GLA 524)	X	
Loans Payable to Component Units	X	
Claims Payable – Due Within One Year	X	X
Claims Payable – Due in More Than One Year	X	X
*Long-Term Liabilities: Due Within One year & Due in More Than One Year:		
Compensated Absences	X	X
Capital Lease Obligations	X	X
Notes Payable	X	X
Bonds Payable	X	X
Bond Anticipation Notes Payable	X	X
Installment Purchases	X	X
Net Pension Liability (GASBS No. 68)	X	
Other Postemployment Benefits (OPEB)	X	X
Trust and Annuity Obligations	X	X
Other Liabilities	X	X
Deferred Inflows of Resources	X	

Note *: Except for the Net Pension Liability & OPEB liability, these amounts must be reported separately as due within one year and due in more than one year.

Continued on next page

**Comptroller's Directive 2-16
Attachment HE-10
Financial Statement Template**

Appendix 1: Chart of Accounts, Continued

Statement of Net Position – (GASBS No. 34 government-wide format)

Net Position	HEI- FST tab	Foundation- Combining FST tab
Net Investment in Capital Assets	X	X
*Restricted/Nonexpendable for:		
Scholarships and fellowships	X	
Instruction	X	
Research	X	
Academic Support	X	
Hospitals	X	
Departmental Uses	X	
Permanently Restricted		X
Other	X	
*Restricted/Expendable for:		
Scholarships and fellowships	X	
Instruction	X	
Research	X	
Academic Support	X	
Debt Service	X	
Capital Projects	X	
Hospitals	X	
Auxiliary Operating	X	
Loans	X	
Departmental Uses	X	
Temporarily Restricted		X
Other	X	
Unrestricted	X	X

Note*: Restricted net position in the CAFR for institutions are reported in total as one of the following:

- Restricted For: Nonexpendable: Higher Education
- Restricted For: Expendable: Higher Education

These detailed net position line items for the HEI amounts are provided only if the HEI includes this level of detail in the HEI's individually published financial statements.

Continued on next page

**Comptroller's Directive 2-16
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Appendix 1: Chart of Accounts, Continued

Statement of Activities – (GASBS No. 34 government-wide format)

	HEI-FST tab	Foundation-Combining FST tab
Program Revenues		
Charges for Services	X(4)	X(4)
Operating Grants and Contributions	X(4)	X(4)
Capital Grants and Contributions	X(4)	X(4)
Program Expenses:		
Operating and Nonoperating Expenses	X	X
Loss on Sale/Disposal/Impairment of Capital Assets	X	X
State Appropriation Revenue/Other Funding from Commonwealth/VCBA:		
E&G Transfers (GLAs 969/970)	X(5)	
General Fund Transfers (GLAs 996/997)	X(5)	
Nongeneral Fund Transfers (GLAs 982/983)	X(5)	
Gen./Nongen. Fund Transfers (GLAs 984/985)	X(5)	
Appropriation Act Part 3 Transfers (GLAs 986/987)	X(5)	
Other	X(5)	
State Appropriation Revenue – Capital Projects	X(5)	
Revenue from VCBA (21 st Century)	X(6)	
Revenue from VCBA (ETF)	X(6)	
Capital Contributions from Treasury (GOB)	X(6)	
Capital Contributions from Treasury (VPBA)	X(6)	
General Revenues & Other Items:		
Grants & Contributions not Restricted to Specific Programs	X(4)	X(4)
Investment Earnings (does not meet program revenue definitions)	X(4)	X(4)
Miscellaneous Revenues	X(4)	X(4)
Gain on Sale/Disposal/Impairment of Capital Assets	X	X
Contributions to Permanent Endowments	X(4)	X(4)
Contributions to Term Endowments	X(4)	X(4)
Payments/Support from Higher Education Institution		X
Payments/Support from Foundation(s)	X	X
Payments/Support to Higher Education Institution		X
Payments/Support to Foundation(s)	X	X
Increase in Split-Interest Agreements	X	X
Decrease in Split-Interest Agreements	X	X
Special Items	X	X
Extraordinary Items	X	X
Net Position – beginning	X	X

Note 4: See also [Appendix 3: Revenue Classifications](#) for descriptions.

Note 5: Amounts per these line items should agree to the Attachment HE-8.

Note 6: Amounts per these line items should agree to the Attachment HE-9.

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Appendix 2: Cash, Cash Equivalents, and Investments

**Definitions -
HEI**

For purposes of this Directive, the following definitions apply:

Cash – The standard medium of exchange (paper currency) that must be readily available for the payment of current obligations and free from any contractual restriction that limits its use in satisfying debts.

Cash Equivalents – Instruments or investments of such high liquidity (original maturity of 90 days or less) and low risk that they are virtually as good as cash. Examples are a money market fund, Treasury bill, and monies in the State Non-Arbitrage Program (SNAP) fund*, and the Local Government Investment Pool. Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

Investments – Securities and other assets that are a) held primarily for the purpose of obtaining income or profit and b) have present service capacity based solely on its ability to generate cash or to be sold to generate cash with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

Security – Generally, an instrument evidencing debt of or equity in a common enterprise in which a person invests on the expectation of financial gain. The term includes notes, stocks, bonds, debentures or other forms of negotiable and nonnegotiable evidences of indebtedness or ownership.

Note*: SNAP Individual Portfolios are different from the SNAP funds (pool) and may include cash equivalents and/or investments depending on what makes up the portfolio. This is why there is a Restricted SNAP Individual Portfolio – cash equivalent and a Restricted SNAP Individual Portfolio – investment line item.

Note: The definition of fair value was revised by GASBS No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Comptroller’s Directive 2-16
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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI -
Overview**

There are **19 FST line items** for cash, cash equivalents, and investments for the **HEI**. These detailed line items are so that amounts can be agreed to one of the following: 1) information on CARS, 2) information from the Department of Treasury, or 3) information from entries provided by DOA. Basically these line items are broken into the following categories which are described in more detail in the following sections:

- Amounts held with the Treasurer of VA
- Amounts not held with the Treasurer of VA*
- State Non-Arbitrage Program (SNAP) Funds
- Local Government Investment Pool (LGIP)
- Cash Equivalents/Investments – DOA Securities Lending AJEs
- SNAP Individual Portfolios*

In addition, for each category listed above there are also “restricted” line items. See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for additional information.

Nonnegotiable Certificates of Deposit: Revised guidance is provided regarding nonnegotiable certificates of deposit (CD) based on changes in the Implementation Guide No. 2015-1. Nonnegotiable CDs should be reported on the applicable “cash equivalents” financial statement template line item if the original maturity is 90 days or less and they should be reported on the applicable “investment” financial statement template line item if the original maturity is greater than 90 days. Nonnegotiable CDs should continue to be treated as “deposits” for GASBS 3/40 disclosures. No changes were made regarding negotiable certificates of deposit

Note *: GASBS No. 3/40 information must be provided on the Attachment HE-11 for the amounts not held with the Treasurer of VA and SNAP Individual Portfolios because this information is not provided by the Department of Treasury.

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Financial Statement Template

Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI -
Amounts held
with Treasurer
of VA, SNAP,
and LGIP**

The following line items are to report the applicable GLA 101 balances on CARS (excluding the general fund balances reported as appropriations available). TAB 1A Part 1 requires that institutions provide a reconciliation to explain differences between CARS and the financial statement template.

- Cash held with Treasurer of VA
- Restricted Cash held with Treasurer of VA*

DOA will provide asset, liability, income, and expense amounts for each institution's share of securities lending transactions, if any, held in the General Account of the Commonwealth in accordance with GASBS No. 28. The asset portion of these securities lending entries should be reported on the following line items:

- Cash Equivalents (DOA Securities Lending AJE)
- Investments (DOA Securities Lending AJE)

The amounts reported on the following line items will be agreed to information provided by Department of Treasury. The Restricted SNAP Funds represent amounts invested in the pool.

- Local Government Investment Pool
- Restricted Local Government Investment Pool*
- Restricted State Non-Arbitrage Program (SNAP) Funds*

The amounts reported on the following line items will be agreed to information provided by Treasury. In addition, Treasury will provide the GASBS 3/40 information on these line items.

- Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)
- Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)*
- Investments held with Treasurer of Virginia (excludes SNAP)
- Restricted Investments held with Treasurer of VA (excludes SNAP)*

Note *: See the section in this appendix titled **HEI & Foundations(s): "Restricted" cash, cash equivalent, and investment line items** for guidance on amounts that should be reported on these line items.

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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI -
Amounts not
held by
Treasurer of
VA &
SNAP
Individual
Portfolio**

The GASBS 3/40 information for the following line items will need to be provided on the Attachment HE-11.

- Cash not held with Treasurer of VA
- Restricted Cash not held with Treasurer of VA*
- Cash Equivalents not held with Treasurer of VA (excludes SNAP)
- Restricted SNAP Individual Portfolio – Cash Equivalents*
- Restricted Cash Equivalents not held with Treasurer of VA (excludes SNAP)*
- Investments not held with Treasurer of Virginia (excludes SNAP)
- Restricted SNAP Individual Portfolio – Investments*
- Restricted Investments not held with Treasurer of VA (excludes SNAP)*

A SNAP individual portfolio is different from the SNAP fund (pool). If institutions have a SNAP individual portfolio, DOA will verify amounts to information provided by Treasury; however, the institutions must provide the GASBS 3/40 information on the Attachment HE-11 for these amounts.

Note *: See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for guidance on amounts that should be reported on these line items.

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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

Foundations - overview

There are **four Combining FST line items** for cash, cash equivalents, and investments for the **Foundations**. They are as follows:

- Cash and Cash Equivalents
- Investments
- Restricted Cash and Cash Equivalents*
- Restricted Investments*

Note*: See the next section titled **HEI & Foundation(s): “Restricted” cash, cash equivalent, and investment line items** for additional guidance.

HEI & Foundation(s): “Restricted” cash, cash equivalent, and investment line items

The Statement of Net Position in the CAFR format is in **liquidity order** rather than in a classified format (current/noncurrent). Per the Implementation Guide No. 2015-1 question 7.22.3, permanently restricted/nonexpendable resources are essentially as illiquid as capital assets. Therefore, permanently restricted/nonexpendable cash/cash equivalents/investments must be reported on the restricted cash/cash equivalent/investment line items. For temporarily restricted assets, if restrictions are short lived they could be reported on the cash/cash equivalent/investment line items rather than on the restricted cash/cash equivalent/investment line items. For example, cash held in a bond and interest reserve account that is required to pay current maturities could be reported on the cash/cash equivalent/investment line items. Therefore, judgment must be used to determine whether temporarily restricted cash/cash equivalent/investment amounts should be reported on the restricted cash/cash equivalent/investment line items. In summary, report the following amounts on the FST and/or Combining FST restricted cash/cash equivalent/investment line items:

- Permanently restricted/nonexpendable cash, cash equivalents, and investments
- Unspent bond/note proceeds related to capital/construction projects*
- Unspent proceeds related to energy performance contracts
- Judgment must be used to determine if any other restricted cash, cash equivalent, or investment amounts should be reported on these line items.

Note*: In general, SNAP funds and SNAP individual portfolios represent unspent bond proceeds and therefore they would be reported on the applicable restricted cash/cash equivalent/investment line items.

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Appendix 3: Revenue Classifications

Revenue classifications

Revenue amounts must be analyzed to determine the proper reporting on the FST and the Combining FST in accordance with GASBS No. 34 and GASBS No. 35. See also GASBS No. 37 and the Implementation Guide No. 2015-1 for additional guidance. Below is a brief description of the revenue line items:

- **Program Revenues – Charges for Services:** This includes exchange or exchange-like transactions. These revenues arise from charges to customers, applicants or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services. Examples of this category are as follows: fees charged for specific services, licenses, permits, and other amounts charged to service recipients. In addition, fines and forfeitures are also included because they result from direct charges to those who are otherwise directly affected by the program or service even though they receive no benefit. (see GASBS No. 34, GASBS No. 37, paragraph 13 which amends GASBS No. 34, paragraph 49)
- **Program Revenues – Operating Grants and Contributions** (program-specific operating grants & contributions): This represents revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Also, if a program specific grant and/or contribution can be used for operating and capital purposes, they should be reported as Program Revenue-Operating Grants and Contribution. (see GASBS No. 34, paragraph 50)
- **Program Revenues – Capital Grants and Contributions:** This has the same definition as operating grants and contributions except the restriction is for capital purposes (see GASBS No. 34, paragraph 50).
- **Grants & Contributions not Restricted to Specific Programs:** (nonspecific grants & contributions): This represents grants and/or contributions that do not meet the definitions of program revenues (see GASBS No. 34, paragraph 50).

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Appendix 3: Revenue Classifications, Continued

**General
revenue-
investment
earnings**

Investment earnings: This represents interest, dividends, unrealized gains/losses on investments, realized gains/losses, and other investment earnings on investments that **do not** meet the definition of program revenue. For example, investment earnings on permanent or term endowments should be reported as program revenue if restricted to a program or programs specifically identified in the endowment agreement or contract. Investment earnings not meeting the definition of program revenues should be reported as General Revenues - Investment Earnings (see GASBS No. 34, paragraphs 51 & 52). **Based on this definition, investment earnings may be reported on more than one FST or Combining FST line item.**

**General
revenue -
miscellaneous
revenue**

Miscellaneous revenue: Represents revenue amounts that do not fall under any other financial statement template line item definition.

**Contributions
to permanent &
term
endowments**

Contributions to Permanent Endowments: Represents funds with respect to which donors or other outside agencies have stipulated that the principal be maintained in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principal. (Note: A foundation’s permanently restricted contributions should be reported on this line item.)

Contributions to Term Endowments: Similar to permanent endowments except that upon passage of a stated period of time or the happening of a particular event, all or a part of the principal may be expended.

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Appendix 4: GASBS No. 62 Overview

Overview

GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, incorporates selected guidance from the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflicted with or contradicted GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements & Interpretations
- Accounting Principles Board (APB) Opinions
- Accounting Research Bulletins (ARBs) of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure

Prior to the implementation of GASBS No. 62, professional judgment had to be used to determine what pronouncements applied and did not conflict with or contradict GASB pronouncements. GASBS No. 62 clarifies and consolidates these FASB and AICPA accounting and financial reporting provisions that apply to state and local governments.

Additionally, GASBS No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, required proprietary entities to follow the reporting guidance noted above. Further, proprietary entities could also elect to apply post-November 30, 1989 FASB Statements and Interpretations that did not conflict with or contradict GASB pronouncements. GASBS No. 62 supersedes GASBS No. 20 and eliminates the election to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

Note: Those entities may continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

GASBS No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, GASBS No. 65, Items Previously Reported as Assets and Liabilities, GASBS No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62, GASBS No. 69, Government Combinations and Disposals of Government Operations, GASBS No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, GASBS No. 72, Fair Value Measurement and Application, and GASBS No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, include amendments to GASBS No. 62.

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Appendix 4: GASBS No. 62 Overview, Continued

Topics

GASBS No. 62 addresses over 100 pronouncements. Below is an overall listing of accounting and financial reporting topic areas. Refer to GASBS No. 62 as amended by GASBS Nos. 63, 65, 66, 69, 70, 72, and 76 for authoritative and detailed guidance.

1. Capitalization of Interest Cost
2. Revenue Recognition for Exchange Transactions
3. Revenue Recognition When Right of Return Exists
4. Statement of Net Position Classification (as amended by GASBS Nos. 63 and 65)
5. Special and Extraordinary Items
6. Comparative Financial Statements
7. Related Parties
8. Prior-Period Adjustments
9. Accounting Changes and Error Corrections (as amended by GASBS Nos. 65 and 76)
10. Disclosure of Accounting Policies
11. Contingencies (as amended by GASBS No. 70)
12. Construction-Type Contracts-Long-Term (as amended by GASBS No. 65)
13. Extinguishments of Debt (as amended by GASBS Nos. 65 and 70)
14. Troubled Debt Restructuring (as amended by GASBS Nos. 65 and 72)
15. Foreign Currency Transactions
16. Interest Costs-Imputation (as amended by GASBS No. 65)
17. Inventory
18. Investments in Common Stock (as amended by GASBS Nos. 69 and 72)
19. Leases (as amended by GASBS Nos. 65 and 66)
20. Nonmonetary Transactions
21. Sales of Real Estate (as amended by GASBS No. 65)
22. Costs and Initial Rental Operations of Real Estate Projects (as amended by GASBS No. 72)
23. Research and Development Arrangements
24. Broadcasters
25. Cable Television Systems
26. Insurance Entities-Other Than Public Entity Risk Pools (as amended by GASBS Nos. 65 and 72)
27. Lending Activities (as amended by GASBS Nos. 65 and 66)
28. Mortgage Banking Activities (as amended by GASBS Nos. 65 and 66)
29. Regulated Operations (as amended by GASBS No. 65)
30. Right of Offset

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Appendix 4: GASBS No. 62 Overview, Continued

TAB 7 Part 4 TAB 7 Part 4 regarding GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, has been **revised** to indicate if the financial statement template was prepared in accordance with GASBS No. 62 as amended by GASBS No. 63, GASBS No. 65, GASBS No. 66, GASBS No. 69, GASBS No. 70, GASBS No. 72, and GASBS No. 76.

Comptroller's Directive No. 2-16
Attachment HE-10a
GASBS No. 68 Entries

Purpose

This attachment is to provide GASBS No. 68 as amended by GASBS No. 73* (GASBS 68) entries applicable to the Attachment HE-10, Financial Statement Template, FST tab in the HEI Total Year-End June 30, 2016, column. This is similar to the prior year's Attachment HE-10a.

**Portions of GASBS No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68, which amend GASBS No. 67 and GASBS No. 68, are effective beginning in FY 2016.*

Due date

Staggered due dates	HEI acronyms
September 15	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 19	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
September 21	CWM, UVA, VCU, VCCS

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-10a
GASBS No. 68 Entries

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-10a. For example, VCCS should rename the Attachment HE-10a.xlsx* file as VCCS Attachment HE-10a.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

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 (RCL) in the attachment Excel file.**

Enter the revision date, tab name, 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.

Note: Each time a revision is submitted, the [Certification](#) tab should be updated with new signatures and dates. Include "REVISED – date" in the subject line of the e-mail as well as in the **file name**.

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Purpose

This attachment is used to gather uniform financial reporting information for CAFR footnote disclosures required by **GASBS No. 3**, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by **GASBS No. 40**, *Deposits and Investment Risk Disclosures*, and **GASBS No. 59**, *Financial Instruments Omnibus*. This attachment is a supplement to the Attachment HE-10. This is similar to the prior year's Attachment HE-11.

GASBS No. 72, *Fair Value Measurement and Application*, is effective for FY 2016 and includes guidance regarding fair value measurements. Certain provisions of **GASBS No. 79**, *Certain External Investment Pools and Pool Participants*, are effective for FY 2016. Refer to **GASBS No. 72** and **GASBS No. 79** to ensure a thorough understanding of the new reporting requirements prior to completing this attachment.

Recommended

It is recommended that each institution obtain copies of **GASBS No. 3**, **GASBS No. 40**, **GASBS No. 59**, **GASBS No. 31**, **GASBS No. 72**, **GASBS No. 79**, and the Implementation Guide No. 2015-1 for better understanding of this attachment.

Applicable institutions

All institutions that are completing Attachment HE-10 that have cash, cash equivalents, and investments not held with the Treasurer of Virginia and/or SNAP individual portfolios must complete this attachment.

Due date

Various*

Note*: There are staggered due dates for this submission as follows:

Staggered due dates	HEI acronyms
September 20	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 22	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
September 26	CWM, UVA, VCU, VCCS

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-11. For example, VCCS should rename the Attachment HE-11.xlsx* file as VCCS Attachment HE-11.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to Finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Errors
discovered after
submission**

HEIs must ensure that all efforts have been made to submit a complete and accurate Attachment HE-11. However, if the HEI discovers an unexpected error and 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 Excel file attachment.**

Enter the revision date, applicable Excel file tab name, 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.

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

As defined

Cash – The standard medium of exchange (paper currency) that must be readily available for the payment of current obligations, and it must be free from any contractual restriction that limits its use in satisfying debts.

Cash Equivalents – Instruments or investments of such high liquidity (original maturity of 90 days or less) and low risk that they are virtually as good as cash. Examples are a money market fund, Treasury bill, and monies in the State Non-Arbitrage Program (SNAP) fund*, and the Local Government Investment Pool. Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

Investments – Securities and other assets that are a) held primarily for the purpose of obtaining income or profit and b) have present service capacity based solely on its ability to generate cash or to be sold to generate cash with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

Security – Generally, an instrument evidencing debt of or equity in a common enterprise in which a person invests on the expectation of financial gain. The term includes notes, stocks, bonds, debentures or other forms of negotiable and nonnegotiable evidences of indebtedness or ownership.

Note*: SNAP Individual Portfolios may include cash equivalents and/or investments depending on what makes up the portfolio. This is why there is a Restricted SNAP Individual Portfolio – cash equivalent and a Restricted SNAP Individual Portfolio – investment line item.

Note: The definition of fair value was revised by **GASBS No. 72** as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Detail” tab Below are instructions as to the proper completion of the **Detail** tab in the Excel Attachment HE-11. Please follow these instructions carefully.

Part	Instruction
1a	<p>Report the institution’s total cash not held with the Treasurer of VA. <i>This amount must include restricted cash not with the Treasurer of VA and it must agree to the total of Attachment HE-10, Tab 1A, Part 2.</i></p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. Prior year’s guidance for reporting certificates of deposits has been revised because certain prior year questions were not included in the Implementation Guide No. 2015-1. The following new guidance is provided based on questions 1.11.1 and 1.26.1 in the Implementation Guide No. 2015-1: For reporting on the financial statement template:</p> <ul style="list-style-type: none"> • Nonnegotiable and negotiable CDs should be reported on the applicable “cash equivalents” financial statement template line item if the original maturity is 90 days or less and they should be reported on the applicable “investment” financial statement template line item if the original maturity is greater than 90 days. <p>For GASBS 3/40 disclosures:</p> <ul style="list-style-type: none"> • Nonnegotiable CDs should be treated as “deposits” and included in the Detail tab to obtain deposit disclosures. • Negotiable CDs should be treated as “investments” and included in the Cash Equiv. & Inv. Not w Tr tab to obtain investment GASBS 3/40 disclosures. <p>Note: Funds held in money-market accounts offered by financial institutions (i.e., banks, savings and loan associations, and credit unions) which are similar to demand deposits versus a broker/dealer (any individual or firm in the business of buying and selling securities for itself and others; broker/dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of investments.</p>
1b	For the total cash not held with the Treasurer of VA reported above, provide the total balances of all accounts as reported by the financial institutions where the funds are on deposit as of June 30.
1c	Provide an explanation if the reported amount is negative.
1.1a	Report the institution’s nonnegotiable CDs not held with the Treasurer of VA. <i>These amounts must include restricted nonnegotiable CDs not with the Treasurer of VA.</i>
1.1b	For the nonnegotiable CDs not held with the Treasurer of VA reported above, provide the total balances of all accounts as reported by the financial institutions where the funds are on deposit as of June 30.
1.2	Sums the amounts in Part 1b plus Part 1.1b. No action necessary.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Detail” tab, continued

Part	Instruction
2a	Of the amount reported in Part 1.2, provide the amount that is insured by the federal depository insurance. The FDIC coverage for public units is as follows: 1) Up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and up to \$250,000 for all demand deposit accounts (interest-bearing and non-interest bearing) per in-state financial institution, and 2) Up to \$250,000 for the combined total of all deposit accounts per out-of-state financial institution. Refer to the FDIC website at http://www.fdic.gov/ for FDIC coverage information and definitions.
2b	Of the amount reported in Part 1.2, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). The amount covered is usually the amount deposited in a qualified public depository less the amount covered by federal deposit insurance. The most current listing of qualified depositories is available on the Department of Treasury’s website at http://www.trs.virginia.gov/ . An institution can also contact the SPDA accountant at (804) 371-7987 to determine if their chosen financial institution has become a qualified public depository since the last update. Note: If all cash and nonnegotiable CDs not held with the Treasurer of Virginia are included in Part 2a and Part 2b, do not complete Part 2c. If not, the remaining amount should be classified in Part 2c.
2c	If any cash and nonnegotiable CDs NOT held with the Treasurer of Virginia are NOT covered by the FDIC or the Security for Public Deposits Act, provide the amount reported in Part 1.2 for all applicable options below: <ul style="list-style-type: none"> i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-government’s name. <p>The total of the amounts provided must agree to the total amount in Part 1.2.</p>
2d	Provide an explanation if the amount reported in Part 2a is greater than \$250,000.
3	Report the amount of cash equivalents and investments NOT held with the Treasurer of Virginia and restricted SNAP Individual Portfolio amounts, excluding nonnegotiable CDs reported in Part 1.1. This amount must include restricted cash equivalents and investments not held with the Treasurer of Virginia, excluding nonnegotiable CDs reported in Part 1.1, and it must agree to the total of Attachment HE-10, Tab 1A, Part 3. Note: <u>This amount should also agree to the sum of all amounts in the “Reported Amount” column on the Cash Equiv. & Inv. Not w Tr tab of the spreadsheet.</u>

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Detail” tab, continued

Part	Instruction
4	<p>List the total fair value of cash equivalents/investments not held with the Treasurer of Virginia (including restricted amounts) and restricted SNAP Individual Portfolio amounts subject to foreign exchange risk. Foreign exchange risk is the risk of an investment’s value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates.</p> <p>In addition, list the total deposit amounts included in cash not held with the Treasurer of Virginia (including restricted amounts) subject to foreign exchange risk.</p> <p>The total of fair value of cash equivalents/investments not held with the Treasurer of Virginia (including restricted amounts) plus deposit amounts subject to foreign exchange risk must equal the total of the amount in the Foreign Currency Inv tab of the spreadsheet.</p>
5a	<p>If the sum of cash equivalents not held with the Treasurer of Virginia (including restricted amount) and Restricted SNAP Individual Portfolio - Cash Equivalent amounts on Attachment HE-10 Tab 1A Part 3 is greater than the sum of Less Than 1 year on Cash Equiv. & Inv. Not w Tr. Tab, DOA may contact the institution to obtain an explanation.</p>
5b	<p>Indicate if nonnegotiable CDs not held with the Treasurer of VA are properly reported on the Attachment HE-10’s FST tab on an applicable cash equivalent, restricted cash equivalent, investment, or restricted investment FST line item depending on the length of maturity. An explanation must be provided if the answer is “no” and DOA may contact you for additional information.</p>
5c	<p>The information on Cash Equiv. & Inv. Not w Tr. tab should agree to the agency's individually published financial statements. Any differences must be explained.</p>

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Detail” tab, continued

Part	Instruction
6	<p>Are any of the institution's cash equivalents or investments not held with the Treasurer of VA (including restricted amounts) and restricted SNAP Individual Portfolio amounts in debt securities highly sensitive to interest rate changes? Some examples of these include a variable-rate investment with a multiplier, or a variable-rate investment with a coupon that varies inversely with a benchmark index. For further explanations of highly sensitive investments, refer to the Implementation Guide No. 2015-1.</p> <p>If the institution marked a “Yes”, please provide an explanation as to why these investments are highly sensitive.</p>
7	<p>GASBS No. 40 states it is the institution’s responsibility “to update the custodial credit risk disclosure requirements addressing other common risks of the deposits and investments of state and local governments.” With this in mind, please provide a description of any other type of risk to cash, cash equivalents, and investments not covered elsewhere on this attachment.</p>
8	<p>Submit the institution’s investment policy along with this attachment in the e-mail to finrept-HE@doa.virginia.gov. This is the investment policy that will officially be on record with the Department of Accounts. If the institution does have cash, cash equivalents, and investments NOT with the Treasurer of Virginia and DOES NOT have an investment policy, please provide an explanation.</p>
9a	<p>Report the total amount for all items that are subject to the reporting requirements of the GASBS No. 72 and are reported using the fair value hierarchy (Level 1, Level 2, and Level 3) on the Attachment HE-10 FST tab for the HEI, net of elimination entries. This amount must agree to the total of Attachment HE-10, Tab 7, Part 27a.</p>
9b	<p>For cash equivalents/investments not held with the Treasurer of Virginia (including restricted amounts) and restricted SNAP Individual Portfolio amounts that are subject to the reporting requirements of the GASBS No. 72 and are reported using the fair value hierarchy (Level 1, Level 2, and Level 3) on the Cash Equiv. & Inv. NOT w Tr tab, provide a general description of these items and valuation techniques used for the fair value measurement for each level.</p> <p>If there is a difference between the total fair value amount using the fair value hierarchy reported in Part 9a and Part 9b, provide an explanation for the difference, including what other Attachment HE-10 FST line items include amounts reported using the fair value hierarchy and the fair value level used to report those amounts, if any.</p>

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the "Detail" tab, continued

Part	Instruction
9c	Report the total amount of all items that are subject to the reporting requirements of the <u>GASBS No. 72</u> and fair value is established and reported using the Net Asset Value (NAV) per Share (or its equivalent) on the Attachment HE-10 FST tab for the HEI, net of elimination entries. This amount must agree to the total of Attachment HE-10, Tab 7, Part 27b.
9d	For cash equivalents/investments not held with the Treasurer of Virginia (including restricted amounts) and restricted SNAP Individual Portfolio amounts that are subject to the reporting requirements of the <u>GASBS No. 72</u> and fair value is established and reported using the Net Asset Value (NAV) per Share (or its equivalent) on the <u>Cash Equiv. & Inv. Not w Tr</u> tab, provide a general description of these items. Additionally, provide required footnote disclosures pursuant to <u>GASBS No. 72</u> in a separate Word document accompanying this attachment. If there is a difference between the total fair value amount using the Net Asset Value (NAV) per Share (or its equivalent) reported in Part 9c and Part 9d, provide an explanation for the difference, including what other Attachment HE-10 FST line items include amounts reported at Net Asset Value (NAV) per Share (or its equivalent) as permitted by <u>GASBS No. 72</u> , if any.
10	After completing the Detail tab and other applicable tabs, is the following statement correct: There are no "ERROR" messages on the tabs listed below? If no, most likely there is a keying error. Investigate and make corrections as deemed necessary. (see Note A) -Detail -Cash Equiv. & Inv. Not w Tr -Foreign Currency Inv Note A: If you discover an "Error" message on any tab that cannot be corrected because of a formula error or you cannot determine why there is an "Error" message, contact DOA.
11	After completing the Detail tab and other applicable tabs, does information reported in this attachment seem reasonable when compared to the prior year's Attachment HE-11 submission? (Note: An example of unreasonableness would be if there are significant differences between information in this year's Attachment HE-11 as compared to last year's Attachment HE-11 that cannot be explained. This could be an indication that corrections may be needed.)

Comptroller's Directive No. 2-16

Attachment HE-11

Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Directions for
the “Cash
Equiv. & Inv.
NOT w Tr” tab**

Institutions that have cash equivalents/investments not held with the Treasurer of Virginia (including restricted amounts) and restricted SNAP Individual Portfolio amounts will need to report more detailed information about the risk of their cash equivalents and investments. This spreadsheet requests the necessary information DOA needs to properly report in the CAFR to comply with GASBS No. 40.

The **Cash Equiv & Inv. Not w Tr** tab is not password-protected so that institutions may add additional rows when needed without having to contact DOA or may copy and paste information into the sheet from their own records. In adding rows or copying information, care must be taken to preserve the existing spreadsheet layout and column and row labels. If rows are added, please also copy the “TYPE” and “INVESTMENT” descriptions at columns A and B and the formulas at columns N, U, V, and W.

List cash equivalent or investment by type (Debt or Equity) and investment category:

Sections are provided for common investment types and categories. If a category for a specific investment is not provided, place it in the Other Debt Securities or Other Equities Securities section, as appropriate. Specify the issuer of the investment in the Description field. The individual investment issue must also be identified. For equity investments, the issue is usually identified by a ticker symbol. For debt investments, the issue is identified by a CUSIP number. Agencies must provide ticker symbol or CUSIP number information for all investments. This information is needed in order to satisfy the concentration of credit risk disclosure requirement of GASBS No. 40.

Note: **Ginnie Mae, EXIMBANK, and SBA** are the only asset-backed securities that should be included with U.S. Treasury and Agency Securities. This is because they are explicitly backed by the U.S. Government. Securities such as those issued by the **Federal National Mortgage Association (FNMA or Fannie Mae), Student Loan Marketing Corporation (Sallie Mae), and the Federal Farm Credit Banks** are **NOT** explicitly backed by the U.S. Government and should not be included in U.S. Treasury and Agency Securities.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Directions for
the “Cash
Equiv. & Inv.
NOT w Tr” tab
(continued)**

Note: Care should be taken when identifying securities as asset-backed. Only securities that are collateralized by other assets, such as mortgage or other consumer loans, should be categorized as asset-backed. Although entities such as Fannie Mae and Freddie Mac (Federal Home Loan Mortgage Corporation or FHLMC) issue many asset-backed securities, they also issue unsecured debt in the form of bonds and notes. These unsecured debt issues should be listed in the “Agency Unsecured Bonds and Notes” section of the **Cash Equiv. & Inv. Not w Tr** tab and **NOT** in the “Asset-Backed Securities” section. If there is doubt as to whether a security is asset-backed, this information can be obtained from a variety of sources, including the investment prospectus, the issuer, credit rating agencies or the financial institution that processed the purchase transaction. For example, a search of the investment by CUSIP number at the website of the credit rating agency, Moody’s, www.moodys.com, will indicate whether the debt instrument is unsecured or collateralized by some type of asset.

Example: For the cash equivalent or investment type “Common and Preferred Stocks,” the institution would list each issuer such as General Electric Corp. The institution would also list their ticker symbol “GE”. Because it is an equity security, no credit quality rating would need to be given. The institution would then classify the custodial rate risk for this security.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Directions for
the “Cash
Equiv. & Inv.
NOT w Tr” tab
(continued)**

Credit Quality Rating (AAA, BB, Unrated, etc.):

List the applicable credit quality rating. The credit quality ratings of cash equivalents and investments in debt securities (corporate bonds, corporate notes, etc) as described by nationally recognized statistical rating organizations (rating institutions) must be disclosed.

Obligations of the U.S. government or obligations **explicitly** guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. Repurchase agreements are exempt from credit quality ratings **only** if the underlying security is explicitly guaranteed by the U.S. government. The credit quality ratings of external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities should be disclosed. **If a credit quality disclosure is required and the investment is unrated or not rated by any rating agency, the disclosure should indicate that fact that the investment is Unrated. Under no circumstance, should the rating information for any investment be left blank.**

DOA’s rating drop down list in the **Cash Equiv. & Inv. NOT w Tr** tab provides standardized symbols for commonly used ratings of Standard & Poor’s, Moody’s and Fitch’s. Agencies may also refer to these three rating agencies’ websites for explanations of the ratings and the standardized rating symbols. Once a rating agency is selected for the investment, the list of rating symbols that may be selected in the next column is restricted to only valid ratings symbols for that rating agency. If there is no rating agency for the investment, “N/A” may be selected for both the rating agency and the rating.

Interest rate risk (i.e. maturity) of each cash equivalent and investment:

The interest rate risk of debt investments must be disclosed by investment type and amount. DOA has selected the segmented time distribution method as outlined in **GASBS No. 40**. This requirement will require the institutions provide, by amount and issuer, the maturity of their debt investments.

GASBS No. 40 does not require separate disclosure for cash equivalents and investments. Therefore, cash equivalent and investment amounts would be listed in one of the investment column maturities (less than 1 year, 1-5 years, 6-10 years, greater than 10 years) depending on the investment securities that have maturities. Most equity type investments do not have a maturity and their total would only be reported in the “category 3” and/or “uncategorized” columns in the custodial credit risk section.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Directions for
the “Cash
Equiv. & Inv.
NOT w Tr” tab
(continued)**

Custodial credit risk:

Per **GASBS No. 40**, the requirement to disclose cash equivalents and investments as categories 1 and 2 is not necessary. These amounts should be reported in the uncategorized column. If the security, however, meets the following criteria, the security must still be reported as Category 3.

- Uninsured,
- Not registered in the name of the government, and
- Are held by either the counterparty or the counterparty’s trust department or agent

Note: Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed because they are held by the buyer-lender.

List the total custodial credit risk that is considered category 3 and the amount that is uncategorized (remaining amount) for each issuer. For debt securities, the total of these two columns should equal the sum of the interest rate risk columns mentioned above or an error message will appear. Equity securities (common, preferred stock, index funds, equity index and pooled funds, and real estate) will not have a maturity, and their total would only be reported in the custodial credit risk section.

Continued on next page

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Directions for
the “Cash
Equiv. & Inv.
NOT w Tr” tab
(continued)**

Total Reported Amount:

The reported amount column will automatically total from the amounts listed as category 3 and uncategorized in the custodial credit risk columns of the spreadsheet. **An “Error” message will appear for debt securities if this amount does not agree to the sum of the interest rate risk amounts entered.** The overall total of category 3 and uncategorized cash equivalents and investments must agree to the amount reported at Part 3 in the **Detail** tab of the spreadsheet. If it does not, an “Error” message will appear in the **Detail** tab.

Reported Amounts at Fair Value:

GASBS No. 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes inputs of valuation techniques used to determine fair value. Columns have been added to indicate the level of the fair value hierarchy within which the fair value measurements are categorized (Level 1, Level 2, Level 3), or established using Net Asset Value per Share (or its equivalent) per **GASBS No. 72**.

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Not applicable to fair value measurement per GASBS No. 72 column: If the reported amount does not represent the fair value amount measured per **GASBS No. 72**, record the reported amount in the Not applicable to fair value measurement per GASBS No. 72 column. Examples of some items that do not represent fair value amounts measured per **GASBS No. 72** are the items 1a to 1f listed on the **Recordation** tab.

Comptroller's Directive No. 2-16
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Cash Equiv. & Inv. NOT w Tr” tab
(continued)

Fair Value Measurement using (per GASBS No. 72) columns: If the reported amount is the fair value amount measured in accordance with GASBS No. 72 using the fair value hierarchy or established using the net asset value per share (or its equivalent), record the fair value amount in the applicable four GASBS No. 72 fair value measurement columns.

The total of the four “Fair Value Measurement using (per GASBS No. 72)” columns plus the “Not applicable to fair value measurement per GASBS No. 72” column should agree to the corresponding Reported Amount column. If it does not, then an “error” message will appear.

Directions for the “Foreign Currency Inv” tab

List the **fair value** of **each** cash equivalent/investment type subject to foreign exchange risk. Foreign exchange risk is the risk of an investment’s value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates.

List the deposit amounts subject to foreign exchange risk in the Deposits column.

The total fair value plus deposit amounts must agree to Part 4 in the **Detail** tab.

Directions for the Recordation tab

Complete this tab to ensure cash equivalents and investments reported on the Attachment HE-10 FST tab in the HEI Total Year-End June 30, 2016, column are properly reported in accordance with GASBS No. 31, as amended by GASBS No. 59, GASBS No. 72, and GASBS No. 79. Previously this tab was included in the Attachment HE-10, Financial Statement Template, titled **TAB 1B, GASBS 31 & 52 & 59**.

Note: GASBS No. 72 amended the definitions of fair value and investments and provides guidance regarding the measurement and application of fair value.

GASBS No. 79 amendments include necessary criteria for an external investment pool to measure for financial reporting purposes all investments at amortized cost. If the external investment pool meets the criteria to report all investments at amortized cost and reports all investments at amortized cost, the pool’s participants must also measure their investment in the external investment pool at amortized cost.

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Comptroller's Directive No. 2-16
Attachment HE-12
Adjustments

Purpose

This attachment requires institutions to certify that all adjustments since DOA's acceptance of the initial submission have been provided to DOA for the following:

- Part 1: Attachments HE-1 to HE-9, HE-10a, and HE-11 (excludes HE-2a)
- Part 2: Attachment HE-10
- Part 3: Supplemental Information Items/Other Information requested by DOA.

This is similar to prior year's Attachment HE-12 except as noted in the **Changes from prior year** section.

Applicable institutions

All institutions **must** complete this attachment.

Due date

Various*

Note*: There are staggered due dates for this submission as follows:

Staggered due dates	HEI acronyms
September 29	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
October 3	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
October 5	CWM, UVA, VCU, VCCS

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-12
Adjustments

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution acronym followed by Attachment HE-12. For example, VCCS should rename the Attachment HE-12.xlsx* file as VCCS Attachment HE-12.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

**Revised
submissions
and revision
control log**

If an institution has identified required adjustments **subsequent** to DOA's acceptance of the original submission, a revised attachment or supplemental information/additional information is required except as noted below. Some attachments include a revision control log (RCL) tab to document revisions to an original submission. Refer to the individual attachment instructions for specific revision instructions.

Exception: Institutions must ensure that all efforts have been made to submit a complete and accurate Attachment HE-10, Financial Statement Template. However, if the institution discovers an unexpected error in the Attachment HE-10 after the submission, an "Error discovered after template submission" e-mail must be sent to DOA to notify DOA of the errors and corrections needed. See the "Errors discovered after submission" section of the instructions to the Attachment HE-10 for additional information to include in the e-mail.

Comptroller's Directive No. 2-16
Attachment HE-12
Adjustments

**Changes from
prior year**

The following is a list of changes to this attachment in Part 1:

- Only one question to indicate if any of the attachments listed required changes subsequent to DOA initial acceptance,
 - Attachment HE-1, Attachments and Survey, and Attachment HE-10a, GASBS No. 68 Entries, added, and
 - Attachment HE-2a, Related Parties, (formerly Attachment HE-2a, Survey) is excluded because this attachment is only submitted to APA.
-

**Additional
requirements**

THE INSTITUTION MUST NOTIFY THE INDIVIDUALS LISTED IN THE QUESTIONS SECTION OF THE DIRECTIVE IF SIGNIFICANT ADJUSTMENTS ARE DISCOVERED AFTER SUBMITTING THIS ATTACHMENT TO DOA.

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Comptroller's Directive No. 2-16
Attachment HE-13
Report of Financial Condition

Purpose

Section 4-11.00 of the Appropriation Act provides each office handling State funds shall, upon the request of the Auditor of Public Accounts, make a detailed statement, under oath, of the financial condition of his/her office. This report of financial condition only applies to the HEI and excludes foundations.

Applicable institutions

All institutions must follow these attachment instructions.

Due date

Various*

Note*: There are staggered due dates for this submission as follows:

Staggered due dates	HEI acronyms
September 29	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
October 3	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
October 5	CWM, UVA, VCU, VCCS

Submission requirements

OATH - SUBMIT TO THE AUDITOR OF PUBLIC ACCOUNTS ONLY.

The oath (on page 3) can be submitted via mail or e-mail if the oath is either electronically notarized or scanned into pdf format.

For e-mail submissions (only for those items not previously submitted):

E-mail Address: APAFinRept@apa.virginia.gov

For paper submissions of the oath (on page 3):

Mail to: Martha S. Mavredes
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

The final individually published financial statements (Supplemental Information Item 8) should be submitted to both APA and DOA at the following e-mail addresses:

APA - APAFinRept@apa.virginia.gov

DOA - finrept-HE@doa.virginia.gov

Comptroller's Directive No. 2-16
Attachment HE-13
Report of Financial Condition

**Providing
required
information**

- Send to APA and DOA at the e-mail addresses indicated above an electronic copy of the **final** individually published financial statements to include the following: Management's Discussion and Analysis, Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, and Notes to the Financial Statements.

 - Send copies of all other DOA submissions to APA (**if not previously submitted**).
-

Comptroller's Directive No. 2-16
Attachment HE-13
Report of Financial Condition

**Notarized
statement**

**The following oath should be mailed or e-mailed to the Auditor of Public
Accounts as instructed on page 1:**

Institution

“I hereby affirm that the financial statements or information of the HEI
submitted are true and correct to the best of my knowledge and belief.”

Signature

Title

The oath should be administered by a notary or other officer authorized by
Section 49-4 of the *Code of Virginia*, and such notary or other officer should
complete a certificate in substantially the following form:

State of Virginia; City / County of:

This is to certify that _____ on this
_____ day of _____, 2016, took and subscribed the
foregoing oath required by the laws of the Commonwealth.

Name of Notary

Title

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Comptroller's Directive No. 2-16
Attachment HE-14
Subsequent Events

Purpose

To obtain the necessary information to comply with the Group Audit requirements of the Statements on Auditing Standards. This is similar to the prior year's Attachment HE-14.

Applicable agencies

All institutions **must** complete this attachment. This attachment applies to the higher education institution (HEI) and blended component units of the HEI as well as the foundations considered discrete component units of the HEI.

Due date

November 14, 2016

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-14
Subsequent Events

Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-14. For example, VCCS should rename the Attachment HE-14.xlsx* file as VCCS Attachment HE-14.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Definition

Subsequent Events – Events that occur after the end of the reporting period, but prior to the issuance of the financial statements.

Adjustments to financial statements to reflect this information are required for amounts relating to conditions existing as of June 30, 2016. An example of an adjustment is a loss on a trade receivable, which is confirmed by the bankruptcy of a customer. Disclosure is necessary for events that do not relate to conditions at the balance sheet date, but make the financial statements misleading. This disclosure should indicate the nature of the loss or loss contingency and give an estimate of the amount, or range, of loss or possible loss, or state that such an estimate cannot be made. An example of a subsequent event requiring disclosure would be the issuance of long-term debt after the balance sheet date but before the statements were issued.

Comptroller's Directive No. 2-16
Attachment HE-14
Subsequent Events

**Completing
the
attachment**

Answer “yes” or “no” to the question, “Has the institution experienced, or does the institution expect to experience, any subsequent events that have not previously been reported* to the Department of Accounts?”

If yes, provide disclosure information (indicate if disclosure is for the HEI, blended component unit, and/or a foundation, description of the event, including the date of occurrence and dollar amount) in the yellow box. If no, fill out the **Certification** tab and submit the spreadsheet.

Note*: Subsequent event information was previously requested in the Attachment HE-10 TAB 7 Part 8 for the higher education institution and Attachment HE-10 TAB F7 Part 5 for the foundations reported on the Attachment HE-10’s Combining FST tab.

**No revision
control log**

Some attachments include a revision control log to document changes between the first attachment submission and the final attachment submission. Institutions are required to submit only one complete and accurate Attachment HE-14, Subsequent Events, by the due date. Therefore, a revision control log is not included in this attachment.

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Comptroller's Directive No. 2-16
Attachment HE-15
FY 2016 Off-Balance Sheet Financial Obligations

Purpose

During the 2007 General Assembly Session, legislation was passed (*Code of Virginia*, §[2.2-813.2](#)) requiring the State Comptroller to report off-balance sheet financial obligations of the Commonwealth. As can be seen in the text, the term off-balance sheet financial obligation is utilized. Given the general nature of this terminology, a broad examination of the Commonwealth's financial commitments is appropriate. This is similar to the prior year's Attachment HE-15.

Applicable institutions

All institutions, excluding the Virginia Commonwealth University Health System Authority, **must** complete this attachment. This attachment does not apply to obligations of the foundations that are a discrete component unit of the institution as required by [GASBS No. 39](#).

Due date

January 12, 2017

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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Comptroller's Directive No. 2-16
Attachment HE-15
FY 2016 Off-Balance Sheet Financial Obligations

**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-15. For example, VCCS should rename the Attachment HE-15.xlsx* file as VCCS Attachment HE-15.xlsx*.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

Note*: If the institution has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Comptroller's Directive No. 2-16
Attachment HE-15
FY 2016 Off-Balance Sheet Financial Obligations

Definitions

Balance Sheet – For purposes of this attachment, balance sheet is referring to the amounts that were reported in the Commonwealth’s Comprehensive Annual Financial Report (CAFR) as of June 30, 2016. This information was obtained from the institution’s Statement of Net Position that was reported on the FST tab within the Attachment HE-10, Financial Statement Template, as of June 30, 2016, and does not need to be resubmitted. In addition, it is only referring to the higher education institution (HEI) amounts and not the foundation amounts.

Off-Balance Sheet Financial Obligations – For purposes of this attachment, any amount for which the Commonwealth is committed to disburse funds or pledge revenues in future periods as of June 30, 2016. While these amounts do not meet the accounting definition of a liability and are excluded from the balance sheet, they do represent financial obligations of the Commonwealth for future periods. The obligations reported should not represent the normal, ongoing future costs of performing the agency's functions.

Approach

DOA has identified different categories of off-balance sheet financial obligations that require consideration for inclusion in the report. Certain categories are evidenced by a signed agreement for which the Commonwealth has agreed to pay for goods or services to be provided in the future (i.e., operating leases and construction commitments) and are disclosed in the financial statement notes. For higher education institutions, these amounts are generally obtained through the Attachment HE-10 submission. (Note: After the institution’s acronym is selected, certain commitment amounts reported on the Attachment HE-10 for the HEI will appear. These amounts should be revised if needed. In addition, include any additional off-balance sheet financial obligations not otherwise reported on the Survey tab after the institution’s acronym is selected.)

In other instances, the Commonwealth is committed to pay for future outflows, but these amounts have not been reported in the financial statement notes because they have not met the accounting definition for financial statement disclosure (i.e., federal match requirements). These amounts should be included in this attachment.

Other obligations fall into the ongoing operations category. Public education, Medicaid, TANF, prisoner incarceration, and many other programs throughout the state budget represent on-going obligations of state government. This includes information provided in an institution’s six-year plan submitted to DPB. DOA will attempt to meet the reporting requirements for these “obligations” through use of information obtained from central agencies like DPB and DGS.

Comptroller's Directive No. 2-16
Attachment HE-15
FY 2016 Off-Balance Sheet Financial Obligations

Additional considerations

As mentioned above, DOA will use information available centrally to identify as many off-balance sheet financial obligations as possible. DOA has identified certain off-balance sheet financial obligations for which institution input is required. A listing of the types of obligations DOA has identified follows. Please be aware that this list may not be all-inclusive, and institutions should include any additional items deemed necessary based on the definitions and approach described previously.

- Operating Leases
- Construction or other commitment contracts - legal or other formal arrangement exists
- Other project commitments - agency is committed to a project, but no formal agreement exists
- Public-Private Partnership Agreements not reported pursuant to GASBS No. 60
- Federal match requirements
- Questioned Federal Costs (amounts charged to federal programs that have been determined unallowable)
- Potential legal case settlements - likelihood that the Commonwealth will have to pay out funds once the case is settled
- Court-ordered requirements - court orders that require the Commonwealth to take action that would likely have monetary implications

Tabs

The Attachment HE-15 contains the following tabs:

- **Instructions** – This tab provides instructions for steps 1 to 13.
 - **Survey** – This tab is to provide the off-balance sheet financial obligation information. After selecting the institution's acronym on the Survey tab, certain commitment/other selected amounts reported on the FY 2016 Attachment HE-10 submission will appear. Revise these amounts if needed. In addition, provide any additional off-balance sheet financial obligation amounts as of June 30, 2016, that are not already provided.
 - **Certification** – This tab must be completed after the Survey tab is completed.
-