

Office of the Comptroller Directive No. 2-17

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Directive Compliance Guidelines for Higher Education Institutions

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Informational Documents Available on DOA's Website

- Higher Education Institution Reporting Procedures
- Manual Leave Liability Calculation Guidelines
- Additional Information: Attachment HE-10 – TAB 3 – Part 3 regarding GASBS No. 42
- Additional Information: Attachment HE-10 – TAB 7 – Part 14 regarding GASBS No. 49
- Additional Information: Attachment HE-10 – TAB 3 & TAB 7 – Part 15 regarding GASBS No. 51
- Additional Information: Attachment HE-10 – TAB 7 – Part 16 & Supplemental Item 7b regarding GASBS No. 53
- Additional Information: Attachments HE-5 & HE-10 – TAB 7 – Part 18 regarding GASBS No. 61
- Additional Information: Attachment HE-10 – TAB 7 - Part 19 regarding GASBS No. 63 & GASBS No. 65
- Additional Information: Attachment HE-10 – TAB 7 - Part 22 & Attachment HE-11 regarding GASBS No. 72
- GASBS No. 48 – Commonwealth of Virginia Intra-Entity Reporting List
- Master Equipment Leasing Program (MELP) Listing

Attachments HE-1 Through HE-15

- Attachment HE-1, Attachments and Survey
- Attachment HE-1a, FY 2016 Off-Balance Sheet Financial Obligations - Update
- Attachment HE-2, Contact Survey
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- Attachment HE-10, Financial Statement Template
- Attachment HE-10a, GASBS No. 68 Entries
- Attachment HE-11, Schedule of Cash, Cash Equivalents, and Investments as of June 30
- Attachment HE-12, Adjustments
- Attachment HE-13, Report of Financial Condition
- Attachment HE-14, Subsequent Events
- Attachment HE-15, FY 2017 Off-Balance Sheet Financial Obligations

Office of the Comptroller Directive No. 2-17

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, 2017, and thereafter.

This Directive rescinds and replaces Office of the Comptroller's Directive No. 2-16, "*Directive Compliance Guidelines for Higher Education Institutions.*"

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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 (RBC) and the Virginia Institute of Marine Science (VIMS)
- 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

Current year implementations

The following Governmental Accounting Standards Board (GASB) statements are effective for the Commonwealth for fiscal year 2017 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**,
- **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*,
- **GASBS No. 79**, *Certain External Investment Pools and Pool Participants**, and
- **GASBS No. 80**, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.*

Note*: Portions of GASBS No. 73 and GASBS No. 79 were effective starting in fiscal year 2016.

Future implementations

The following GASB statements are effective for fiscal year 2018 and thereafter:

- **GASBS No. 75**, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*,
 - **GASBS No. 81**, *Irrevocable Split-Interest Agreements*, and
 - **GASBS No. 85**, *Omnibus 2017*.
-

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, all attachments **must exclude** the effects of any early implementations.

Continued on next page

Introduction, Continued

Failure to comply

An integral part of the financial and administrative management standards is “substantial compliance with all financial reporting standards approved by the State Comptroller.” **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 & AU-C 265

Statement on Auditing Standards No. 122, *Statements on Auditing Standards: Clarification and Recodification (SAS 122)* and AU-C 265 *Communicating Internal Control Related Matters Identified in an Audit*, state that the identification by the auditors of a material misstatement, identification of fraud by senior management, and ineffective oversight of an entity’s financial reporting are indicators 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 regardless of whether the auditors or 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 attachments and other financial information submitted to DOA.

Continued on next page

Introduction, Continued

Questions

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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 | HEI | Attachments and Survey | July 13 |
| HE-1a | HEI | FY 2016 Off-Balance Sheet Financial Obligations – Update | July 13 |
| HE-2 | HEI | Contact Survey | July 13 |
| HE-2a | HEI/Foundation | Related Parties | July 17 |
| HE-3 | HEI/Foundation | Beginning Net Position Reconciliation | July 20 |
| n/a | Tier III HEIs | Supplemental Information Items 1a, 1b, 2, 3 | July 27 |
| n/a | All HEIs | Supplemental Information Item 4 | July 27 |
| HE-4 | HEI | On-Behalf Payments | August 3 |
| HE-5 (formerly HE-6) | HEI | <u>GASBS No. 14</u> Checklist Modified to Reflect <u>GASBS Nos. 39, 61, and 80</u> | August 3 |
| HE-6 (formerly HE-5) | HEI | Optional Retirement Plans | August 15 |
| HE-7 | HEI | Federal Schedules | August 24 |
| HE-8 | HEI | Appropriation Available and Appropriation Revenue | August 24 |
| HE-9 | HEI | Treasury’s Reimbursement Programs | September 7 |
| HE-10 | HEI/Foundation 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 13 |
| HE-14 | HEI/Foundation | Subsequent Events | November 13 |
| HE-15 | HEI | FY 2017 Off-Balance Sheet Financial Obligations | January 11, 2018 |

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 14 | September 19 | September 28 | IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC |
| September 18 | September 21 | October 2 | CNU, GMU, LU, ODU, VMI, VPI&SU, VSU |
| September 20 | September 25 | October 4 | 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 29, 2017**. Guidance for preparation and submission of this certification may be obtained from the following: CAPP Topic No. 10305 – Cardinal, *Internal Control*, on DOA's website at http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics_Cardinal/10305.pdf

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

A summary of changes is included in the items of interest document that 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.

Answer Required

To facilitate completion of the attachments, certain yellow input cells are prepopulated with “Answer Required” or a formula to populate “Answer Required” or “N/A” based on answers to prior questions. The “Answer Required” messages must be cleared before submission. If you cannot determine why there is an “Answer Required” message in a cell, contact DOA.

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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 appropriate institution number-institution 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)

Verify the prior year adjusted amounts and contact DOA if amounts do not agree to the prior year's Attachment HE-10 submission as adjusted for correcting AJEs. This should be done as soon as possible in order to resolve any discrepancies. Correcting AJEs were identified during the prior year's CAFR cycle either based on correcting AJEs provided by the institution and/or the institution's response to DOA inquiries.

Note*: For the CWM, the following institution number-institution acronym must be selected for prior year amounts to appear: 204-CWM Consol.

Revision control log (RCL) tab

Certain attachments include a Revision Control Log (RCL) tab. 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 these 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.

Continued on next page

Attachments - Overview, Continued

No revision control logs

The Attachments HE-10, HE-12, and HE-14 do not have a RCL tab. **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.**

The purpose of this year's Attachment HE-1a is to provide any revisions to the prior year's Attachment HE-15 submission; therefore, a RCL tab is not needed for these attachments. Attachments HE-2 and HE-5 are informational attachments and do not include a RCL tab; however, a revised attachment can be sent to DOA with an explanation in the email as to why revisions are needed.

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 #: 204, 207, 208, 209, 229, 236, 246, 268, and 948) must provide the following by institution # to DOA by **July 27, 2017**, for fiscal year-end June 30, 2017:

- **Item 1a (see Note A):** Total expenditures for fiscal year to date for all funds and personal service cost expenditures in account 5011xxx.
- **Item 1b (see Note A):** Net expenditures by institution for fiscal year to date for selected accounts 501297x, 501397x, 501597x, 502197x, 502297x, and 502397x by fund.

Note A: If the net expenditures reported on Cardinal for fiscal year-end June 30, 2017, for these select accounts are complete and accurate, DOA should be able to use Cardinal 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 Cardinal or whether it will be provided separately.

- **Item 2:** Net revenue by fund for fiscal year to date recorded in account 4009071, Rcvy Stwde Ind Cst Grant/Cont, 4009073, Rcvry HE Ind Cst Grant/Cont, 4009076, Rcvry Stwde IDC Grnt/Con-ARRA, and 4009077, Rcvry Agy GF IDC Gnt/Con-ARRA.
- **Item 3:** Listing of expenditures, where the payment has been made to other state agencies/institutions. Include in the listing the accounting period the expenditure was recorded, your institution's number, the transaction amount, fund, program/service area, account, and agency/institution name that the payment was made to.

All institutions

Item 4: Provide description, fund, revenue account or expense program, and amount to DOA by **July 27, 2017**, if the institution received any of the following that offset the cost of goods and services purchased by the institution during fiscal year 2017: 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 20, 2017**: 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 20, 2017**: 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, 2017, 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.

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Supplemental Information, Continued

Derivative instruments (HEI only)

Item 7b, Derivative Instruments (HEI only): The Attachment HE-10 instructions require that if the HEI has derivative instrument activity/balances during FY 2017 and/or as of June 30, 2017, 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, 2017, 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, 2017)

*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 2017): 1) Debt service payment schedules that include all principal and interest payment amounts by payment due date and includes the interest rates for each payment, and 2) Offering Statement (pdf format) or link to where Offering Statement is available online if not available on EMMA's website.

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.

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 13, 2017**, 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 number-institution acronym
- Institution name
- 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 institution number-institution acronym – Supplemental Item # (i.e., 260-VCCS – Supplemental Item 6). Typically, the institution number is the 3-digit agency control number unless the submission is for a specific institution number. VCUHSA should use 236-VCUHSA for the institution number-institution acronym.

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

At a minimum, 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 DOA, if requested, or APA, as soon as possible after year-end close, but not later than the submission of the associated statements, schedules and attachments.
-

Suggested work papers

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

- Trial balances for all funds;
 - An itemized listing of capital assets as of year-end which reconciles to the institution's internal accounting system; and
 - A detailed reconciliation of institution debt balances to Department of Treasury audit confirmation schedules.
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Comptroller's Directive No. 2-17
Attachment HE-1
Attachments and Survey

Purpose

This attachment is to determine attachments that must be submitted; foundations/entities/Cardinal business units to be included in the Attachment HE-10, Financial Statement Template; and foundations/entities to be excluded from the Attachment HE-10. In addition, it includes questions regarding deferred outflows of resources/deferred inflows of resources, demand bonds and callable bonds because of debt violations. This is similar to the prior year's Attachment HE-1.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 13, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check the applicable boxes 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 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. 2-17
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 Number-Institution Acronym followed by Attachment HE-1. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-1.xlsx* file as 260-VCCS Attachment HE-1.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
Attachment HE-1
Attachments and Survey

TAB 1,
Attachments

Part 1 in this tab includes questions as follows:

- Questions 1 to 4a are to determine if Attachments HE-1a, HE-4, and HE-5 will have to be submitted.
- Question 5: This question is to indicate 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 2017.
- 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 2017.
- Question 7: This question is to indicate if any changes are needed to the Cardinal Business Units that will be included in the Attachment HE-10, Financial Statement Template, for fiscal year 2017.

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

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 2017.
 - **Parts 2a & 2b: Demand Bonds & Callable Bonds because of Debt Violations:** This part is to provide information regarding demand bonds and callable bonds because of debt violations.
-

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Comptroller's Directive No. 2-17
Attachment HE-1a
FY 2016 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. 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 attachment is to provide changes to the amounts/information submitted in January 2017 for FY 2016.

Applicable institutions

Institutions must complete this attachment only if they have changes to the prior year Attachment HE-15, FY 2016 – 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 13, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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 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. 2-17
Attachment HE-1a
FY 2016 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 Number-Institution Acronym followed by Attachment HE-1a. The Institution Number-Institution Acronym should be the same as shown on the first tab of the attachment. For example, VCCS should rename the Attachment HE-1a.xlsx* file as 260-VCCS Attachment HE-1a.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
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 13, 2017

Submission requirements

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

After downloading the Excel file, rename the file using the Institution Number-Institution Acronym followed by Attachment HE-2. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-2.xlsx* file as 260-VCCS Attachment HE-2.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
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 authorized signatories form submitted annually to DOA. Also enter the contact information for the directive contact person.

Part 2) Optional Information: If you would like an additional contact person copied on directive communications, provide the contact information for this additional contact person. Otherwise, leave Part 2 blank.

Part 3) Auditor Contact Information: This part is to document whether the Auditor of Public Accounts (APA) will audit the institution for fiscal year 2017. Auditor contact information must be provided if APA will not be the auditor.

Comptroller's Directive No. 2-17
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.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 17, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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 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. 2-17
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 Number-Institution Acronym followed by Attachment HE-2a. The Institution Number-Institution Acronym should be the same as shown on the first tab of the attachment. For example, VCCS should rename the Attachment HE-2a.xlsx* file as 260-VCCS Attachment HE-2a.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
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.

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

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. 2-17
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. 2-17
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 prior year's Attachment HE-10, Financial Statement Template (including correcting AJEs), to the beginning net position amount that will be reported on the FY 2017 Attachment HE-10, Financial Statement Template. This attachment is similar to the prior year's Attachment HE-3.

Applicable institutions

All institutions **must** complete this attachment.

Due date

July 20, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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*, 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. 2-17
Attachment HE-3
Beginning Net Position Reconciliation

**Current year
implement-
ations**

The following GASB statements are effective for fiscal year 2017 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**,
- **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*,
- **GASBS No. 79**, *Certain External Investment Pools and Pool Participants**,
- **GASBS No. 80**, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14, and*
- **GASBS No. 82**, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73**.

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.

Note*: Portions of GASBS No. 73 and GASBS No. 79 were effective starting in fiscal year 2016. Portions of GASBS No. 82 are effective starting in fiscal 2018.

Comptroller's Directive No. 2-17
Attachment HE-3
Beginning Net Position Reconciliation

Submission requirements

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

After downloading the Excel file, rename the file using the Institution Number-Institution Acronym followed by Attachment HE-3. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-3.xlsx** file as 260-VCCS Attachment HE-3.xlsx**.

Please include the **Institution Number-Institution 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**.

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Comptroller's Directive No. 2-17
Attachment HE-4
On-Behalf Payments

Purpose

This attachment is to obtain on-behalf payments for CAFR disclosures.

This attachment is similar to the prior year's Attachment HE-4.

Applicable institutions

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

Due date

August 3, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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 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. 2-17
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 Number-Institution Acronym followed by Attachment HE-4. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-4.xlsx* file as 260-VCCS Attachment HE-4.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
Attachment HE-4
On-Behalf Payments

**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.

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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**.

**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.

Comptroller's Directive No. 2-17

Attachment HE-4

On-Behalf Payments

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.

Definitions

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.

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.”

Comptroller's Directive No. 2-17
Attachment HE-5
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39, 61, and 80

Purpose

This attachment includes a checklist used to evaluate, based on GASBS No. 14 modified to reflect GASBS No. 39, GASBS No. 61, and GASBS No. 80 criteria, an organization, foundation, or commission for possible inclusion as a component unit in the Commonwealth's Comprehensive Annual Financial Report. This attachment is similar to the prior year's Attachment HE-6.

Applicable institutions

Institutions must complete this attachment for any of the following:

- Institutions that have a potential component unit that has not been previously analyzed in accordance with the GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61.
- Institutions that have a potential component unit that has experienced a change that may affect its classification.
- Institutions that have previously reported a component unit that is organized as a not-for-profit corporation for which the institution is the sole corporate member, as identified in the component unit's articles of incorporation or bylaws.*

Note*: GASBS No. 80 does not apply to legally separate, tax-exempt organizations that meet the criteria in GASBS No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, to be reported as a discrete component unit.

Due date

August 3, 2017

Additional information

For additional information see the **Additional Information: Attachments HE-5 & HE-10 – TAB 7 Part 18 regarding GASBS No. 61** document available on DOA's website and refer to GASBS No. 14 as revised by GASBS No. 39, GASBS No. 61, and GASBS No. 80. For additional information regarding GASB Statements, refer to the GASB website at www.gasb.org.

Comptroller's Directive No. 2-17
Attachment HE-5
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39, 61, and 80

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 Number-Institution Acronym followed by Attachment HE-5. The Institution Number-Institution Acronym should be the same as shown on the first tab of the Attachment HE-1, Attachments and Survey. For example, VCCS should rename the Attachment HE-5.docx* file as 260-VCCS Attachment HE-5.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-5 submissions. For example, if VCCS has to analyze two potential component units, the filenames should be as follows:

- 260-VCCS Attachment HE-5 – 1 of 2.docx
- 260-VCCS Attachment HE-5 – 2 of 2.docx

Please include the **Institution Number-Institution 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. 2-17
Attachment HE-6
Optional Retirement Plans

Purpose

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) and to obtain general information regarding other optional retirement plans and deferred compensation plans.

Note: This attachment should **exclude** the following:

- Contributions to the Virginia Retirement System (VRS) Hybrid Retirement Plan (Hybrid Plan), and
- Amounts for foundations/entities considered discrete component units of the HEI.

This attachment is similar to the prior year Attachment HE-5.

Applicable institutions

All institutions **must** complete this attachment.

Due date

August 15, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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. 2-17
Attachment HE-6
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 Number-Institution Acronym followed by Attachment HE-6. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-6.xlsx* file as 260-VCCS Attachment HE-6.xlsx*.

Please include the **Institution Number-Institution 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.

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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. 2-17
Attachment HE-6
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).

**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.

**Deferred
compensation
plans**

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

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Comptroller's Directive No. 2-17
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.

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

Continued on next page

Comptroller’s Directive No. 2-17
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 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; and
- certify other identifying numbers assigned by the pass-through entity have been provided on the DISBURSED TO NONSTATE and/or RECEIVED FROM NONSTATE tabs of the Federal Schedules template.

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 2017, 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 24, 2017

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.**

Continued on next page

Comptroller's Directive No. 2-17
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. 2-17
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 Bobby Eddleton, Assistant Director - Capital Assets and Federal Reporting at bobby.eddleton@doa.virginia.gov.

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Comptroller's Directive No. 2-17
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.

Within the six tabs of the federal schedules workbook there will be a column labeled with the “@” symbol which will be used to identify Research and Development (R&D) federal expenditures.

Build America Bonds (BABs) Fund subsidies recorded in Cardinal fund 1302X 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 symbol indicated above or by leaving the cell blank. A blank cell indicates Non-R&D federal expenditures.

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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 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. Separate lines are only allowed if the CFDA number is unknown, not identical, or both R&D and non-R&D expenditures exist. 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.

Note: A new column has been added to the DISBURSED TO NONSTATE AND RECEIVED FROM NONSTATE tabs. Institutions should report any other identifying numbers assigned by the pass-through entity in this column. Institutions should contact the disbursing entity to determine the other identifying number(s) before leaving the column blank. If there are multiple other identifying numbers report each number in this column, separated by a slash (/). **Do not use this column to report identifying numbers assigned by the federal grantor agency.**

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. If an unknown CFDA number is used, you must provide a program name and an identifying number associated with the grant. You will be contacted by DOA if an identifier is not supplied. This is a new FAC requirement. 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).**

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Comptroller’s Directive No. 2-17
Attachment HE-7
Federal Schedules

**Overview of
federal
schedules**

All federal expenditures, **excluding** BABs recorded in Cardinal fund 1302X 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.**

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Comptroller’s Directive No. 2-17
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 funds in Cardinal. Ensure you have notified General Accounting if you have received BABs and that all BABs activity is recorded in Cardinal fund 1302X.**
 - 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.**
-

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Comptroller's Directive No. 2-17
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. 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.**

It is now a requirement as stated above to include an identifying number or award identification number if the CFDA is not known.

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.

Note: Please ensure pass-through amounts reported on the SEFA and RECEIVED FROM NONSTATE tabs do not exceed the total direct and/or indirect amounts reported by CFDA number. Amounts provided to subrecipients are now reported on the face of the Final SEFA schedule and pass-through amounts cannot exceed the total of direct and indirect expenditures reported. DOA will contact you if the pass-through amounts exceed the total of direct and indirect costs.

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Comptroller’s Directive No. 2-17
Attachment HE-7
Federal Schedules

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

- Ensure the reconciliation ties to the institution’s financial accounting system.
- **Use the “@” symbol to indicate Research and Development (R&D) expenditures. No symbol is used for non-R&D expenditures.** 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. 2-17
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).
- *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. 2-17
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. 2-17
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. 2-17
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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)

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Comptroller’s Directive No. 2-17
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. |

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**Comptroller’s Directive No. 2-17
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 | <p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. 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>It is now a requirement to include an identifying number or award identification number if the CFDA is not known.</p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p> |

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.

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Comptroller’s Directive No. 2-17
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsm ; 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. |
| 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.xlsm file. 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. It is now a requirement to include an identifying number or award identification number if the CFDA is not known. <u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number. |
| 7 | A column titled Other Identifying Numbers Assigned by the Pass-Through Entity is included in this tab. Institutions should report any other identifying numbers assigned by the pass-through entity in this column. Institutions should contact the disbursing entity to determine the other identifying number(s) before leaving the column blank. If there are multiple other identifying numbers report each number in this column, separated by a slash (/). Do not use this column to report identifying numbers assigned by the federal grantor agency. |

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Comptroller’s Directive No. 2-17
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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, except as noted in Step 3 below. 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. |
| 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. |

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**Comptroller’s Directive No. 2-17
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. 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>It is now a requirement to include an identifying number or award identification number if the CFDA is not known.</p> <p><u>Note:</u> 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. |

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**Comptroller’s Directive No. 2-17
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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 | <p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. 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>It is now a requirement to include an identifying number or award identification number if the CFDA is not known.</p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p> |
| 5 | <p>A column titled Other Identifying Numbers Assigned by the Pass-Through Entity is included in this tab. Institutions should report any other identifying numbers assigned by the pass-through entity in this column. Institutions should contact the disbursing entity to determine the other identifying number(s) before leaving the column blank. If there are multiple other identifying numbers, report each number in this column, separated by a slash (/). Do not use this column to report identifying numbers assigned by the federal grantor agency.</p> <p>Amounts provided to subrecipients are now reported on the face of the Final SEFA schedule and pass-through amounts cannot exceed the total of direct and indirect expenditures reported. DOA will contact you if the pass-through amounts exceed the total of direct and indirect costs.</p> |

Continued on next page

Comptroller’s Directive No. 2-17
Attachment HE-7
Federal Schedules

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. |

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-7
Federal Schedules

Preparing the federal schedules.xlsm; 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.xlsm file. 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>It is now a requirement to include an identifying number or award identification number if the CFDA is not known.</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. 2-17
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. |

Continued on next page

Comptroller’s Directive No. 2-17
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 reported on the **SEFA** tab plus the expenditures reported on the **RECEIVED FROM NONSTATE** tab to the amount of Federal expenditures 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 Federal Expenditures (excluding BABs recorded in fund 1302X) amount as reported on the SEFA tab. |
| 5 | In cell E12, enter the total Federal Expenditures amount as reported on the RECEIVED FROM NONSTATE tab. |
| 6 | In cell E16, enter the total Federal expenditures recorded in the institution’s accounting system. |

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Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

Purpose

This attachment is to provide the following: general fund appropriation available, appropriation revenue, certain transfer activity, and due from primary government (general fund cash offset to Cardinal accounts 205020 and 205025). This is similar to prior year's Attachment HE-8.

Applicable institutions

All institutions **must** complete this attachment.

Due date

August 24, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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.

Continued on next page

Comptroller's Directive No. 2-17
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 Number-Institution Acronym followed by Attachment HE-8. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-8.xlsx* file as 260-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 Number-Institution 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).

Continued on next page

Comptroller's Directive No. 2-17
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.

Continued on next page

Comptroller’s Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

**Appropriation
available &
appropriation
revenue line
items**

These instructions refer 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, 2017” 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 accounts) 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
- E&G Reversions
- Payments to Treas. Bd. – VCBA 21st Cent. & Eq. Pgms.*
- Other

State Appropriation Revenue – Capital Projects

Note*: Payments to the Treasury Board in accordance with the Appropriation Act for a portion of debt service payments for the VCBA 21st Century & Equipment programs will be reported as “Expenses” in the CAFR rather than as a reduction to Operating Appropriations from the Commonwealth.

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

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

General Fund (fund 01000 & fund 09650) cash and appropriation revenue for the capital outlay program 998000 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 plus any Central Capital Planning Fund* new funding amounts on the second line. (This increases appropriation available and should equal the Total State Appropriation Revenue – Capital Projects amount.)
3. Report current year net expenditures on the third line. (This decreases appropriation available.)
4. Report Central Capital Planning Fund* reimbursements in fund 09650 account 609830 – Cash Transfers Out – Non-GF, as a negative amount.
5. Report refund of prior years' Central Capital Planning Fund* expenditures in fund 09650 account 4009084, Revenue - Refund-Exp/Misc Disburse Pr Yr, as a positive amount.
6. The ending balance for appropriation available should equal the unexpended appropriation amount for funds 01000/09650, program 998000. It should also approximate the cash balance (account 101010) in funds 01000/09650, program 998000.
7. 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) plus Central Capital Planning Fund* new funding in fund 09650 account 609820 – Cash Transfer In – Non-GF, 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.

Note*: See Appendix 1 regarding the Central Capital Planning Fund.

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

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

General Fund (fund 01000) appropriation available and appropriation revenue for operating programs 108xxx and 110xxx must be reported on TAB 1. Fund 01000, program 108xxx and 110xxx 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 in this section and include a description. The appropriation available-other amount should include **all** remaining General Fund (fund 01000) cash (account 101010), **except** cash that is already reported as capital outlay appropriations (program 998000) or cash that will **not** be reappropriated.

Appropriation Available

1. Report remaining cash for Programs 108xxx and 110xxx 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 108xxx and 110xxx on separate lines in the other appropriation revenue section.
2. If applicable, report reversions and/or reappropriations on separate lines for Programs 108xxx and 110xxx.
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 01000 cash (account 101010) 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 01000; and
4. Cash that is a result of fund 01000 revenue (accounts 40xxxxx).

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

**TAB 1 – Part 1a,
Due from
Primary
Government**

Cardinal account 101010, Cash with the Treasurer of Virginia, amounts that offset accounts 205020, Accounts Payable, and 205025, Accts Payable-AP/EX Accruals, for funds 01000, General Fund, and 09650, Central Capital Planning Fund, should be reported as Due from Primary Government on the Statement of Net Position in the Attachment HE-10. For CAFR reporting, this cash is reported in the General Fund and the General Fund will report a Due to Component Units. These amounts do not represent appropriations available and should not be reported in Attachment HE-8 TAB 1 Part 1.

**TAB 2 -
reporting
transfer GLAs**

TAB 2 is to report certain transfer activity but not all transfer activity in the corresponding section. Report amounts in the applicable section. Below is a description of the transfer accounts to report on TAB 2 and the total of these amounts should agree to the applicable line items on the Statement of Activities in the Attachment HE-10.

- **E&G Transfers:** This represents Educational & General (E&G) appropriation revenue and the corresponding cash is transferred from the General Fund (fund 01000) to fund 03000 using Cardinal accounts 609690 and 609700.
- **E&G Reversions:** This represents E&G reversions as of year-end from fund 03000 back to the General Fund (01000) using Cardinal account 609970. The reversion should be reported as a negative amount.
- **Payments to Treas. Bd. – VCBA 21st Cent. & Eq. Pgms:** These represent transfers/payments from the institution's fund 03000 using Cardinal account 609830 to the Treasury Board, business unit 15500, to pay a share of VCBA's debt service costs as required by the Appropriation Act for VCBA 21st Century and Equipment programs. Transfer accounts are not used for the Tier III institutions' payments to the Treasury Board; however, these payments should also be included on this line item. These amounts should be reported as a negative amount.

Other transfer accounts on Cardinal should be reported on the applicable Attachment HE-10's FST line item. See also Appendix 2, Transfers.

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

Example 1 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 | | |
| Total State Appropriation Revenue – Capital Projects | 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 01000, Program 108xxx Remaining Cash (see Note A) | 0 | Fund 01000, Program 108xxx Appropriation Revenue | 2,000,000 |
| Fund 01000, Program 110xxx Remaining Cash (see Note A) | 0 | Fund 01000, Program 110xxx Appropriation Revenue | 400,000 |
| | | Program 108xxx Reversion (see Note A) | -50,000 |
| | | Program 110xxx 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 (108xxx & 110xxx) are not expected to be reappropriated, this example shows that Cardinal as of year-end would report cash (account 101010) of \$60,000 for programs 108xxx and 110xxx as reversions. 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:

| | |
|--|---------------|
| Description | Amount |
| Account 609690, Fund 03000 | 68,500,000 |
| Account 609700, Fund 03000 | -500,000 |
| Total E&G Transfers per Statement of Activities | 68,000,000 |
| Account 609970, Fund 03000 | -23,750 |
| Total E&G Reversions per Statement of Activities | -23,750 |
| Transfers to Treasury Board (to Business Unit 15500 from fund 03000 Account 609830) and payment by Tier III HEIs for a portion of debt service costs for the VCBA 21 st Century and Equipment Programs in accordance with the Appropriation Act | -350,000 |
| Total Payments to Treas. Bd. – VCBA 21 st Cent. & Eq. Pgms. per Statement of Activities | -350,000 |

Continued on next page

Comptroller's Directive No. 2-17
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 | 68,000,000 | Note A |
| E&G Reversions | -23,750 | Note A |
| Payments to Treas. Bd. – VCBA 21 st Cent. & Eqt. Pgms. | -350,000 | Note B |
| Other | 2,340,000 | Note A |
| State Appropriation Revenue – Capital Projects | 225,000 | |
| <p>Note A: The net total of these amounts is \$70,316,250 and would be reported in the CAFR as Operating Appropriations from Primary Government.</p> <p>Note B: The negative \$350,000 and would be reported in the CAFR as Expenses.</p> | | |

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

Appendix 1: Central Capital Planning Fund (Fund 09650)

During FY 2008, certain capital projects were provided funding from the Central Capital Planning Fund for pre-planning or detailed planning costs and the source of funding was from general fund appropriations. Over the years, certain projects previously funded out of fund 09650 reimburse the Central Capital Planning Fund. The transactions on Cardinal for these reimbursements would be as follows:

- A revenue credit (account 4009084) is posted to the HEI's fund 09650 fund/project(s) for an amount equal to the cumulative prior years' expenditures, an expenditure credit for the current year's expenditures for the applicable project(s), and an expenditure debit is posted to the HEI's bond fund 08170/project(s) for the total of these amounts which represent the total cumulative expenditures. These entries create cash in the HEI's fund 09650 and negative cash in the HEI's fund 08170. Institutions have to request reimbursement from Treasury for the expenditures charged to the HEI's fund 08170 to replenish the cash. The cash created from the expenditure credit (for current year expenditures) and revenue credit (for prior years' expenditures) in the HEI's fund 09650/project(s) plus any cash already in the HEI's fund 09650/project(s) is transferred out (account 609830) to business unit 94900 fund 09650. This transfer out should be reported on the "Operating and Nonoperating Expenses" Attachment HE-10's FST line item.

Typically, new funding from the Central Capital Planning Fund is processed by a transfer out (account 609830) posted from business unit 94900 fund 09650 and a transfer in (account 609820) is posted to the HEI's fund 09650/new project(s) and these transfers in should be reported on the State Appropriation Revenue – Capital Projects Attachment HE-10's FST line item.

Comptroller's Directive No. 2-17
Attachment HE-8
Appropriation Available and Appropriation Revenue

Appendix 2: Transfers

The following table compares the Attachment HE-10 FST line items for FY 2016 and FY 2017:

| FY 2016 - FST line items | FY 2017 - FST line item | Description of changes |
|---|---|--|
| E&G Transfers (GLAs 969/970) | E&G Transfers | No change except for title |
| General Fund Transfers (GLAs 996/997) | E&G Reversions | No change except for title |
| Nongeneral Fund Transfers (GLAs 982/983) | Payments to Treas. Bd. - VCBA 21st Cent. & Eqt. Pgms. | Title change and only include transfers/payments to the Treasury Board for a portion of debt service costs on VCBA 21st Century and Equipment programs as required by the Appropriation Act. No specific FST line item provided for the other transfers.* |
| Gen./Nongen. Fund Transfers (GLAs 984/985) | | No specific FST line item provided for these transfers.* |
| Appropriation Act Part 3 Transfers (GLAs 986/987) | | No specific FST line item provided for these transfers.* |

Note*: Since no specific FST line items are provided for certain transfers, record this activity on the most appropriate FST line items. Since these line items have changed, the prior year amounts that will populate after the Institution Number-Institution Acronym is selected on the Attachment HE-10's FST tab will include these other type of transfers on the following FST line items:

GLAs 983, 985, 987 - Transfers out (excluding payments to Treasury Board): Operating and Nonoperating Expenses

GLAs 982, 984: Transfers in: State Appropriation Revenue - Other (Note: There were no GLA 986 transfers in for FY 2016.)

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Comptroller’s Directive No. 2-17
Attachment HE-9
Treasury’s Reimbursement Programs

Purpose

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)

This attachment is similar to the prior year’s Attachment HE-9.

Reporting Guidelines

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.

Applicable institutions

All institutions **must** complete this attachment.

Due date

September 7, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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. 2-17
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 Number-Institution Acronym followed by Attachment HE-9. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-9.xlsx* file as 260-VCCS Attachment HE-9.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
Attachment HE-9
Treasury's Reimbursement Programs

Overview

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

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

Note *: The amounts reported by the higher education institutions (HEIs) and Treasury as due from/due to amounts at year-end should agree. Any reimbursement requests processed by Treasury in July and August 2017 must be analyzed by HEIs to determine what amounts are for goods/services received on or prior to June 30, 2017. This should be the same amount as the year-end unreimbursed expenses (negative cash and payables). There could be some payables after the August cut-off related to these programs (e.g., retainage payable); however, there has to be a reasonable cut-off in order to ensure due from/due to amounts 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. 2-17
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 to/from amounts 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. 2-17
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 in Cardinal:

VCBA 21st Century : Fund 08170, 08171/Account 439720
VCBA ETF: Fund 03xxx/Accounts vary (depends on how HEI requests the reimbursement to be reported on Cardinal)
GOB: Fund 08110/Account 439710
VPBA: Fund 08200/Account 439720

Treasury will prepare a summary of cash basis reimbursements by HEI and reimbursement program after Cardinal final close. This summary will be e-mailed to directive contacts after Cardinal final 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. 2-17
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, 2017, for unreimbursed expenses as of year-end (goods/services received on or prior to June 30, 2017); **and**
- Due dates on these reimbursement requests cannot be after August 31, 2017.

These reporting guidelines 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 23.

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 the amount that should be reported as “due from” by reimbursement program and HEI. This summarization 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 2017 |
| Less: Reversal of prior year’s “Due from” |
| Add: Accrual of current year’s “Due from” |
| <hr style="width: 100%;"/> |
| Total Revenue |
| <hr style="width: 100%;"/> |

**Part 2:
comparison of
prior year
amounts**

After selecting the institution number-institution acronym in the first row of this tab, the 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 2016 financial statement template. There should be no differences unless there are restatements. An explanation must be provided for any restatements.

Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

Purpose

To obtain the financial statement and footnote information for the HEI, including component units, applicable elimination entries and reconciliation to the individually published financial statements.

Note: 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).

***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.

The following tabs must be completed by **all HEIs**:

- FST,
- TAB 6,
- TAB 7,
- TAB 8,
- Checklist, and
- Certification.

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 14 | IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC |
| September 18 | CNU, GMU, LU, ODU, VMI, VPI&SU, VSU |
| September 20 | CWM, UVA, VCU, VCCS |

Comptroller's Directive 2-17
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 Number-Institution Acronym followed by -FST. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS would save the file as 260-VCCS-FST.xlsx*. This file includes 34 tabs.

Please include the **Institution Number-Institution 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 2-17: 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 Number-Institution Acronym – Supplemental Item 7. For example, VCCS would have the following file name: 260-VCCS – Supplemental Item 7. **If applicable**, the following supplemental information items per the Supplemental Information section of Comptroller's Directive 2-17 must also be submitted:

- **Supplemental Information Item 7a**:** Receivable Reconciliation (HEI only)
- **Supplemental Information Item 7b**:** Derivative Instruments (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 2-17
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.

Answer Required

Certain cells are prepopulated with “Answer Required” or a formula to populate “Answer Required” or “N/A” based on answers to prior questions. These “answer required” messages must be cleared before submission. If you cannot determine why there is an “answer required” message in a cell, 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 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.

Comptroller's Directive 2-17

Attachment HE-10

Financial Statement Template

Funds to be reported

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

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 number-institution acronym on the FST tab 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. 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 propriety of certain amounts. 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.
 - The Certification tab has questions to ensure completeness, reasonableness, and accuracy of the attachment.
-

Comptroller's Directive 2-17 Attachment HE-10 Financial Statement Template

Additional guidance

For additional information/guidance, see the Comptroller's Directive 2-17 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 3 regarding GASBS No. 42
- Additional Information: Attachment HE-10 – TAB 7 – Part 14 regarding GASBS No. 49
- Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 15 regarding GASBS No. 51
- Additional Information: Attachment HE-10 - TAB 7 - Part 16 and Supplemental Item 7b regarding GASBS No. 53
- Additional Information: Attachments HE-5 & HE-10 - TAB 7 - Part 18 regarding GASBS No. 61
- Additional Information: Attachment HE-10 – TAB 7 – Part 19 regarding GASBS No. 63 & GASBS No. 65
- Additional Information: Attachment HE-10 – TAB 7 Part 22 & Attachment HE-11 regarding GASBS No. 72
- 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 13)

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 13 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 2-17
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 2-17
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 2-17
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 7 for guidance;
- More detailed and/or different line items for the following reasons: verification to other information on Cardinal or from other agencies, determine reasonableness, and consistency in reporting;
- “Other” line items – descriptions are needed for “Other” line items to ensure consistent reporting in the CAFR; 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 ensure consistency with information on Cardinal or from other agencies for CAFR reporting
 - Nonoperating and operating expenses reported in total
-

**Comptroller's Directive 2-17
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) |

Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

Financial Statement Template (FST)

FST

HEI Total Year-End June 30, 2017 column: Amounts for the HEI must be keyed into this column. **Footnote/informational TABs 1A to 9*** as well as the **HEI reconciliation tabs** must be completed for certain amounts reported in this column.

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, 2017, column that cannot be eliminated because a foundation reported on the Combining FST has a different year-end.

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)

HEI Total Prior Year & Foundation(s) Total Prior Year Totals & Fluctuations: For prior year adjusted amounts to appear, select the institution number-institution acronym. Prior year amounts will appear and the #N/As will disappear. 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 \$15,600,000 (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.

Comptroller's Directive 2-17
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. 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, 2016, would be used to report amounts on the Combining FST for fiscal year ended June 30, 2017, 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 2-17
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.

Continued on next page

Comptroller's Directive 2-17
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.
 - **Revenue:** The revenue line items and descriptions can be found in the **Appendix 3: Revenue Classifications**.
 - **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 2-17
Attachment HE-10
Financial Statement Template

Miscellaneous Information – HEI

**HEI -
appropriation
available**

The amounts reported on the following line items represent Account 101010, Cash held with Treasurer of VA, reported on Cardinal as of year-end for the General Fund (Fund 01000 and Central Capital Planning Fund 09650) 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 2-17
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 occurrence 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.

Continued on next page

Comptroller’s Directive 2-17
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 15 regarding GASBS No. 51** pdf document available on DOA’s website.

Note: The CAPP Topic No. 30325 - Cardinal, “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 3 (June 10-24 pay period) and a portion of the July 14 (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.

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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, including health insurance payments to the Department of Human Resource Management (DHRM) Health Insurance Fund (HIF), as of year-end, excluding amounts owed to VRS discussed in the next section.

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.

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 2017 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.

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Miscellaneous Information – HEI, Continued

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.

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 2018 principal payments only. This guidance is also applicable to VCBA Pooled bonds reported on the applicable notes payable FST line items.

Exception: If demand bonds and/or bonds that are callable 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 on the following line items:

- 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.

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Miscellaneous Information – HEI, Continued

**Estimated
Interest/
Rebates**

All HEIs: Since funds for interest on tuition/fees/other E&G revenues and SPCC rebates are typically not appropriated until the following fiscal year, there is no amount to report on the “Due from Primary Government” Attachment HE-10 FST line item for the current fiscal year pursuant to the response to the Z33.16 question in the GASB Implementation Guide No. 2015-1.*

**Fund 03220/
Account 101010**

Tier III HEIs only: Fund 03220/Account 101010: Account 101010, Cash with the Treasurer of Virginia, balances reported in Cardinal as of June 30, 2017, in fund 03220, Covered Institution Interest Escrow Fund, should not be reported on the financial statement template. For CAFR reporting purposes, DOA plans to make a CAFR only entry to report these balances because the Commonwealth and not the institution has custody of the cash as of year-end.*

Note*: This guidance is similar to the guidance sent to HEIs last year on August 5, 2016, with the subject: Estimated Interest/Rebates & Fund 0322/GLA 101.

**eVA Sole
Source
Procurement
Rebates**

If an institution reports eVA sole source procurement rebates on the FST, it should be reported on the “Receivables, Net” Attachment HE-10 FST line item and on the Attachment HE-10 TAB 2 Part 1 in the “Other” category with a description. These amounts are typically insignificant to the CAFR and are not reported as “due tos/due froms” in the CAFR.

Note: This guidance is similar to the guidance sent to HEIs last year on August 22, 2016, with the subject: eVA sole source procurement rebates.

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Miscellaneous Information – HEI, Continued

**Cardinal Funds
01000 & 09650
and Accounts
101010/205025/
205020**

In Cardinal, expenditures are debited and accounts payable are credited when the voucher is posted to reflect the amount pending disbursement. On the payment post date, accounts payable are debited and cash is credited.

Cardinal Funds 01000 and 09650 Account 101010, Cash with the Treasurer of VA, amounts are reported in the CAFR’s General Fund. To avoid double counting cash in the CAFR, Cardinal funds 01000 and 09650 Account 101010 amounts that equal accounts payable accounts 205025 and 205020 amounts as of year-end should be reported on the “Due from Primary Government” line item on the Attachment HE-10, Financial Statement Template.

Note: This guidance is similar to the guidance sent to HEIs last year on August 16, 2016, with the subject: CARS Funds 0100 & 0965 & GLAs 510 & 101.

**9c Bond
Refundings –
Late in
Current Fiscal
Year**

If a refunding of 9c bonds late in the fiscal year results in a net overpayment of interest (interest due June 1st on 9c refunded bonds exceeds interest due June 1st on 9c refunding bonds) and the Department of Treasury will apply the net overpayment to the next interest payment due during the next fiscal year, the net overpayment should be reported on the “Prepaid Items” Attachment HE-10’s FST line item. (Note: This guidance is similar to guidance sent to HEIs on August 31, 2015, regarding the 2015B 9c Refunding.)

Miscellaneous Information – Foundation(s)

**Derivative
Instruments –
Interest Rate
Swaps
(Excludes HEI)**

For consistency in the CAFR, derivative instruments reported by foundations such as interest rate swaps in a negative position should be reported on the Attachment HE-10’s Combining FST line item “Other Liabilities” rather than “Long-Term Liabilities-Other.” In addition, negative or positive changes in fair value should be reported on the “Investment Earnings” Combining FST line item.

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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 \$15,600,000 (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. It will be necessary to make the adjustment to the respective tab and then return to the Flux tab to ensure the correct variances are reflected and explained. Therefore, it is important to allow plenty of time to properly prepare and review the fluctuation analysis prior to submission to DOA.

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.

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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 (e.g., March 31st or December 31st) must be reported on TAB F8, Intrafund.

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 2-17
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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 total Cardinal account 101010 balance, less funds 01000, 09650, and 03220. This amount should agree to the applicable Cash held with Treasurer of VA line items on the FST. If the total amount reported does not equal Cardinal account 101010, excluding funds 01000, 09650, and 03220, 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 3a. Attachment HE-11 requires additional footnote information on these line items.</p> |

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**Comptroller's Directive 2-17
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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*.

Note*: TAB 7 Part 15 has questions regarding GASBS No. 51. See **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 15 regarding GASBS No. 51** on DOA's website for additional guidance.

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 number-institution acronym on the FST tab, 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, 2016, column are linked to Part 1. Differences must be explained.

Part 2) Capital Asset Capitalization Policy

Parts 3.1 to 3.3) 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 3 regarding GASBS No. 42** on DOA's website for additional guidance.

Part 4) This is for **elimination entries** reported on the Elimination Entries to FST tab to the HEI's capital asset line items.

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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 number-institution acronym on the FST tab, 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, 2016, 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

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. 2-17.)

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) Operating Leases
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 footnote/other information for the HEI.

**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.

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

**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 19a & 19b 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 be excluded 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 7 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 (e.g., Other Assets, Other Restricted Assets, etc.).

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 to gather footnote/other information not captured in other tabs.

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 (e.g., 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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**Comptroller's Directive 2-17
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Financial Statement Template**

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 2017 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 12/31/2016 | As of 6/30/2017 |
|--------------------------------|-----------------------------|-----------------------------|
| 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 | 1/1/2016 to 6/30/2016 | 7/1/2016 to 12/31/2016 | 1/1/2017 to 6/30/2017 |
|--------------------------------|-----------------------------|--|-----------------------------|
| 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

Continued on next page

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Financial Statement Template

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 – e.g., 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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Financial Statement Template

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, 2017” 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. An “ERROR” message will display below the column total if either of these amounts do not agree. Informational totals have been provided.

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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 propriety of certain amounts.

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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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Attachment HE-10
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, and
Christy Tuck, CAFR Project Lead, at Christy.Tuck@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 or Christy Tuck at (804) 225-3180.

**Comptroller's Directive 2-17
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(2) | |
| 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.

Continued on next page

Comptroller's Directive 2-17
Attachment HE-10
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 2-17
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 (Account 206240) | 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 2-17
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: | | |
| Foundation(s) | | X |
| HEI | X | |
| Restricted/Expendable for: | | |
| Foundation(s) | | X |
| HEI | X | |
| Unrestricted | X | X |

Continued on next page

**Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template**

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 | X(5) | |
| E&G Reversions | X(5) | |
| Payments to Treas. Bd. – VCBA 21 st Cent. & Eq. Pgms. | 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.

Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

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 – A transferable financial instrument evidencing debt obligation of, or equity ownership in, a common enterprise. The term includes notes, stocks, bonds, debentures, or other forms of negotiable and non-negotiable instruments that evidence 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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Financial Statement Template

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 Cardinal, 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: 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.

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.

Continued on next page

Comptroller's Directive 2-17
Attachment HE-10
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 account 101010 balances on Cardinal (excluding funds 01000, 09650, and 03220). TAB 1A Part 1 requires that institutions provide a reconciliation to explain differences between Cardinal 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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Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

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.

**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 & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for additional guidance.

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Comptroller’s Directive 2-17
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Financial Statement Template

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

**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). Report the following amounts on the restricted cash, cash equivalent, and investment line items:

- Permanently restricted/nonexpendable amounts,
- Unspent bond/note proceeds related to capital construction projects*,
and
- Unspent proceeds related to energy performance contracts.

Judgement must be used to determine if any other restricted amounts should be reported on these line items. Refer to Implementation Guide No. 2015-1 question 7.22.3 for detailed information.

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.

Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

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 applicable Implementation Guides. 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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Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

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.**

***For foundations only:** Negative or positive changes in the fair value of derivative instruments - interest rate swaps should also be reported as Investment Earnings.

**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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Comptroller's Directive No. 2-17
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*, **GASBS No. 72**, *Fair Value Measurement and Application*, and **GASBS No. 79**, *Certain External Investment Pools and Pool Participants*. This attachment is a supplement to the Attachment HE-10. This is similar to the prior year's Attachment HE-11.

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 and 2016-1 to facilitate a thorough understanding of this attachment. For additional information regarding GASB Statements, refer to the GASB website at www.gasb.org.

Applicable institutions

All institutions that are completing Attachment HE-10 that have the following must complete this attachment:

- Cash, cash equivalents, and investments not held with the Treasurer of Virginia (including restricted amounts); and/or
 - SNAP individual portfolios
-

Due date

Various*

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

| Staggered due dates | HEI acronyms |
|---------------------|---|
| September 19 | IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC |
| September 21 | CNU, GMU, LU, ODU, VMI, VPI&SU, VSU |
| September 25 | CWM, UVA, VCU, VCCS |

Comptroller's Directive No. 2-17
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check the applicable boxes 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 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 Number-Institution Acronym followed by Attachment HE-11. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-11.xlsx* file as 260-VCCS Attachment HE-11.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
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. 2-17
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Definitions

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 – A transferable financial instrument evidencing debt obligation of, or equity ownership in, a common enterprise. The term includes notes, stocks, bonds, debentures, or other forms of negotiable and non-negotiable instruments that evidence 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. 2-17
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. The following guidance for reporting certificates of deposits is provided based on information in the Implementation Guide No. 2015-1: For reporting on the financial statement template: <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. For GASBS 3/40 disclosures: <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> </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. 2-17
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 or 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. |

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Detail” tab, continued

| Part | Instruction |
|------|---|
| 3a | <p>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.</p> <p>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></p> |
| 3b | <p>Report the amount and investment type category for any investment derivative instruments, as defined in GASBS No. 53, that are included in the amount reported in Part 3a above.</p> |
| 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 institution's individually published financial statements. Any differences must be explained.</p> |

Continued on next page

Comptroller's Directive No. 2-17
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 and Implementation Guide No. 2016-1 issued by GASB.</p> <p>If the institution marked a “Yes”, please provide an explanation as to why these investments are highly sensitive.</p> |
| 7 | <p><u>GASBS No. 40</u> 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>For the 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>, answer whether the items are measured at fair value on a recurring basis. If they are not valued on a recurring basis, then provide the reasons for the nonrecurring fair value measurements. <u>GASBS No. 72</u> paragraph 81 explains recurring and nonrecurring fair value measurement of items.</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 <u>GASBS No. 72</u> 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> |

Continued on next page

Comptroller's Directive No. 2-17
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Directions for the “Detail” tab, continued

| Part | Instruction |
|-------------|---|
| 9c | For valuation techniques provided in the fair value measurement for each level of fair value hierarchy in Part 9b above, if there has been a change in the valuation techniques from the previous year then provide the change in valuation techniques and the reasons for making the change. |
| 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 Cash Equiv. & Inv. Not w Tr 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. |

Comptroller's Directive No. 2-17

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, O, P, V, W, and X.

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. Institutions 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: Beginning with fiscal year 2017, a new debt security investment category of “Supranational and Non-U.S. Government Bonds and Notes” has been added to the **Cash Equiv & Inv. Not w Tr** tab. Investments in debt securities issued by supranational or Non-U.S. governmental entities should be included under this new investment category, as appropriate.

Continued on next page

Comptroller's Directive No. 2-17

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: **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.

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 credit risk for this security.

Continued on next page

Comptroller's Directive No. 2-17
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, NR, 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 a rating of not rated given by any rating agency, the disclosure should indicate that fact that the investment is Not Rated (NR). 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. Institutions 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” must be selected for both the rating agency and the rating.

Note: A new completeness check column has been added to the **Cash Equiv. & Inv. NOT w Tr** tab to ensure both rating agency and credit rating columns are completed as applicable. If either rating agency or credit rating column is not completed, an “Answer Required” message will appear in this column.

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.

Continued on next page

Comptroller's Directive No. 2-17
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)**

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.

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. 2-17
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 3a 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. There are columns 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 1h listed on the **Recordation** tab.

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Comptroller's Directive No. 2-17
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.

For the listed cash equivalent/investment or deposit amounts subject to foreign exchange risk, GASBS No. 40 requires disclosure of investment policy related to foreign currency deposit or investment. Briefly explain institution’s investment policy related to foreign currency deposit or investment. In addition, provide a brief explanation if the institution does not have such investment policy.

Comptroller's Directive No. 2-17
Attachment HE-11
Schedule of Cash, Cash Equivalents, and Investments as of June 30

**Directions for
the Recordation
tab**

Complete this tab to ensure cash equivalents and investments reported on the Cash Equiv. & Inv. Not w Tr tab are properly reported in accordance with **GASBS No. 31**, as amended by **GASBS No. 59**, **GASBS No. 72**, and **GASBS No. 79**.

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.

Comptroller's Directive No. 2-17
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.

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 28 | IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC |
| October 2 | CNU, GMU, LU, ODU, VMI, VPI&SU, VSU |
| October 4 | CWM, UVA, VCU, VCCS |

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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 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. 2-17
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 Number-Institution Acronym followed by Attachment HE-12. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-12.xlsx* file as 260-VCCS Attachment HE-12.xlsx*.

Please include the **Institution Number-Institution 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.

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.**

Comptroller's Directive No. 2-17
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 28 | IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC |
| October 2 | CNU, GMU, LU, ODU, VMI, VPI&SU, VSU |
| October 4 | 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. 2-17
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. 2-17
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 _____, 2017, 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. 2-17
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 13, 2017

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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. 2-17 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 Number-Institution Acronym followed by Attachment HE-14. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-14.xlsx* file as 260-VCCS Attachment HE-14.xlsx*.

Please include the **Institution Number-Institution 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, 2017. 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.

Completing the attachment

Answer the question and provide subsequent event disclosure information if not previously provided in the Attachment HE-10 TAB 7 Part 7 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.

Comptroller's Directive No. 2-17
Attachment HE-15
FY 2017 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 11, 2018

Certification

The **Certification** tab requires all preparers and reviewers to answer questions, type their name, and check applicable boxes 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 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. 2-17
Attachment HE-15
FY 2017 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 Number-Institution Acronym followed by Attachment HE-15. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS should rename the Attachment HE-15.xlsx* file as 260-VCCS Attachment HE-15.xlsx*.

Please include the **Institution Number-Institution 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. 2-17
Attachment HE-15
FY 2017 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, 2017. 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, 2017, 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, 2017. 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 number-institution 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 number-institution 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. 2-17
Attachment HE-15
FY 2017 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 number-institution acronym on the Survey tab, certain commitment/other selected amounts reported on the FY 2017 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, 2017, that are not already provided.
 - **Certification** – This tab must be completed after the Survey tab is completed.
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