

**Comptroller's Directive No. 2-18**  
**Attachment HE-2a**  
**Related Parties**

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**Purpose**

This attachment is to provide information regarding related parties. This attachment is similar to the prior year's Attachment HE-2a.

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**Applicable institutions**

All institutions **must** complete this attachment.

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**Due date**

**July 16, 2018**

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**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.

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**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](mailto:APAFinRept@apa.virginia.gov)**.

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

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**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.

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**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.

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**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.

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