

Office of the Comptroller Directive No. 2-21

Table of Contents

Directive Compliance Guidelines for Higher Education Institutions

Introduction	2
Due Dates	7
Attachments - Overview	9
Supplemental Information	12
Submission Requirements	16
Supporting Work Papers	17

Informational Documents Available on DOA's Website

- Higher Education Institution Reporting Procedures
- Manual Leave Liability Calculation Guidelines
- **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 2020 Off-Balance Sheet Financial Obligations - Update	
Attachment HE-2, Contact Survey	
Attachment HE-2a, Related Parties	
Attachment HE-3, Beginning Net Position Reconciliation	
Attachment HE-4, On-Behalf Payments	
Attachment HE-5, <u>GASBS No. 14</u> Checklist Modified through <u>GASBS No. 97</u>	
Attachment HE-6, Optional Retirement Plans	
Attachment HE-7, Federal Schedules	
Attachment HE-8, Appropriation Available and Appropriation Revenue	
Attachment HE-9, Treasury's Reimbursement Programs	
Attachment HE-10, Financial Statement Template	
Attachment HE-10a, <u>GASBS No. 68</u> Entries	
Attachment HE-10b, <u>GASBS No. 75</u> 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 2021 Off-Balance Sheet Financial Obligations	

Office of the Comptroller Directive No. 2-21

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.

- 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 Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report must be audited and issued by December 15.
- The bond rating agencies use the Comprehensive Annual Financial Report to determine Virginia's bond rating. Maintaining an unmodified opinion on the Comprehensive Annual Financial Report is critical to Virginia retaining its AAA bond rating.
- The bond rating agencies require that parts of the Comprehensive Annual Financial Report be included in bond offering statements.

Effective date

This is effective for fiscal years ending June 30, 2021, and thereafter.

This Directive rescinds and replaces Office of the Comptroller's Directive No. 2-20, *Directive Compliance Guidelines for Higher Education Institutions*.

Continued on next page

Introduction, Continued

Applicability

This Directive applies to the Roanoke Higher Education Authority (RHEA), 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. DOA format). Each institution must ensure that internal controls over the institution's separately issued financial statements and also the directive submissions provided to DOA for preparation of the Comprehensive Annual Financial Report are strong and result in complete and accurate information.

Continued on next page

Introduction, Continued

Early implementation of GASB statements

There will be **no** early implementation of any GASB statement for the Commonwealth's Comprehensive Annual Financial Report. If an institution early implements any GASB statement in its separately issued financial statements, all attachments **must exclude** the effects of any early implementations.

Current year implementations

The following Governmental Accounting Standards Board (GASB) statements are effective for the Commonwealth for fiscal year 2021 and thereafter:

- **GASBS No. 93**, *Replacement of Interbank Offered Rates*, excluding paragraphs 11b, 13, 14, and
 - **GASBS No. 97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, only a portion of paragraph 4, paragraph 5, and revisions to Implementation Guide No. 2019-2, *Fiduciary Activities*.
-

Future implementations

Institutions are strongly encouraged to continue preparation efforts to implement the following statements effective for fiscal year 2022:

- **GASBS No. 87**, *Leases*,
- **GASBS No. 89**, *Accounting for Interest Cost Incurred before the End of a Construction Period*,
- **GASBS No. 92**, *Omnibus 2020* (Exception: Paragraphs 11 and 13 – effective upon issuance),
- **GASBS No. 93**, *Replacement of Interbank Offered Rates*, only paragraphs 11b, 13, and 14 (Exception: Remaining paragraphs effective FY 2021), and
- **GASBS No. 97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* (Exception: Portion of paragraph 4, paragraph 5, and revisions to Implementation Guide No. 2019-2, *Fiduciary Activities*, effective FY 2021).

Note: **GASBS No. 87** dramatically modifies lease requirements. For additional information, refer to the **GASBS No. 87 – Leases Overview** section in the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, which can be found on DOA's website at www.doa.virginia.gov.

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*.

AU-C 265

AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*, states 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

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

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

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

Directive availability

This Directive is available at www.doa.virginia.gov. Higher education institutions' fiscal officers are notified via e-mails. Cardinal users are notified via the Cardinal Message Screen.

Communications

Each institution is responsible for properly preparing the institution's separately issued 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**.

It is anticipated the due dates will remain the same for future years, per request, regardless of the day of the week.

<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 9
HE-1a	HEI	FY 2020 Off-Balance Sheet Financial Obligations – Update	July 9
HE-2	HEI	Contact Survey	July 9
HE-2a	HEI/Foundation	Related Parties	July 13
HE-3	HEI/Foundation	Beginning Net Position Reconciliation	July 16
n/a	Tier III HEIs	Supplemental Information Items 1a, 1b, 2, 3	July 30
n/a	All HEIs	Supplemental Information Item 4	July 30
HE-4	HEI	On-Behalf Payments	July 30
HE-5	HEI	<u>GASBS No. 14</u> Checklist Modified through <u>GASBS No. 97</u>	July 30
HE-6	HEI	Optional Retirement Plans	August 11
HE-7	HEI	Federal Schedules	August 20
HE-8	HEI	Appropriation Available and Appropriation Revenue	August 20
HE-9	HEI	Treasury’s Reimbursement Programs	September 3
HE-10	HEI/Foundation HEI-if applicable	Financial Statement Template, Supplemental Information Items 7a – 7d	Staggered
HE-10a	HEI	<u>GASBS No. 68</u> Entries	Staggered
HE-10b	HEI	<u>GASBS No. 75</u> Entries	Staggered
HE-11	HEI	Schedule of Cash, Cash Equivalents, and Investments as of June 30	Staggered
HE-12	HEI/Foundation	Adjustments	October 8
HE-13	HEI	Report of Financial Condition Institution’s Final Separately Issued Financial Statements	October 8
n/a	HEI/Foundation	Supplemental Information Item 8 (Only if applicable – IALR, RHEA, VCUHSA)	October 8
n/a	HEI/Foundation	Supplemental Information Item 9 (Only if requested by DOA - CWM, UVA, VCU, VPI&SU)	November 10
HE-14	HEI/Foundation	Subsequent Events	November 10
HE-15	HEI	FY 2021 Off-Balance Sheet Financial Obligations	January 7, 2022

Due Dates, Continued

Staggered due dates

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

Attachments HE-10, HE-10a, HE-10b Supplemental Information Items 7a-7d, if applicable Data entered into Accounts Receivable System	Attachment HE-11	HEI acronyms
September 16	September 19	IALR, JMU, UMW, NCI, RU, RHEA, SVHEC, SWVHEC
September 18	September 21	CNU, GMU, LU, NSU, ODU, VMI, VPI&SU, VSU
September 20	September 23	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 that they have established, maintained, and evaluated their institution's internal control framework. The ARMICS Certification System must be used to certify ARMICS for fiscal year ending 2021 by **September 30, 2021**.

Attachments – Overview

Instructions

Each attachment has instructions that are in the PDF format and available on DOA’s website. 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 significant 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 FST, Combining FST, or Elimination Entries to FST tabs 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.

Continued on next page

Attachments - Overview, Continued

Verify prior year amounts

The Attachments HE-3, HE-8, HE-9, and HE-10 (FST, TAB 3 & TAB 5) include prior year amounts. Prior year amounts will appear on the applicable tab after selecting the 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. Most correcting AJEs were identified during the prior year's Comprehensive Annual Financial Report 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

If you identify a submission that needs a revision, please contact the AttachmentAnalyst@doa.virginia.gov mailbox for guidance prior to submission. If a resubmission is approved, please follow the instructions for the applicable attachment regarding the resubmission requirements.

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-10a, HE-10b, HE-12, and HE-14 do not have a RCL tab. **Revised attachment submissions are not allowed** unless DOA requires a resubmission in a separate communication. 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. If Attachments HE-1a, HE-2, HE-5, or HE-15 submissions need a revision, please contact the AttachmentAnalyst@doa.virginia.gov mailbox for guidance prior to submission. If a resubmission is approved, 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 #s: 204, 207, 208, 209, 229, 236, 246, 268, and 948) must provide the following by institution # to DOA by **July 30, 2021**, for fiscal year-end June 30, 2021:

- **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, 2021, 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, Rcvry Stwde Ind Cst Grant/Cont, 4009073, Rcvry HE Ind Cst Grant/Cont, 4009088 - RcvryStwd IDCGrnt/Con-COVID-19, and 4009089 - RcvryAgyGFIDCGrnt/Con-COVID-19.
- **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 30, 2021**, if the institution received any of the following that offset the cost of goods and services purchased by the institution during fiscal year 2021: 1) Purchase discounts, 2) Rebates or allowances, 3) Recoveries or indemnities on losses, 4) Insurance refunds or rebates, or 5) Adjustments of overpayments or erroneous charges.

Questions regarding Items 1a to 4

Contact PeiChi Hockaday at (804) 786-0246 or PeiChi.Hockaday@doa.virginia.gov if you have any questions regarding the supplemental information items 1a, 1b, 2, 3, and 4.

Continued on next page

Supplemental Information, Continued

The College of William and Mary (CWM)

Item 5: The following is due to DOA by **September 20, 2021**: 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, 2021**: Supporting schedules for the Statement of Net Position, Statement of Activities, and elimination entries of significant intrafund balance/activity amounts.

Applicable institutions

If applicable, the Supplemental Information Items 7a through 7d 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, 2021, a reconciliation must be provided. This must be submitted along with the Attachment HE-10 submission. As a reminder, accounts receivable data must be entered into DOA's accounts receivable system by the Attachment HE-10 due date.

Continued on next page

Supplemental Information, Continued

Derivative instruments (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 2021 and/or as of June 30, 2021, Supplemental Item 7b must be submitted along with the Attachment HE-10 submission.

Applicable institutions

Items 7c and 7d are applicable to institutions that have a June 30, 2021, amount reported in the Bonds Payable (issued by Institution-Institutional Debt) category in the Attachment HE-10 TAB 5, LT Liabilities, Part 1. Supplemental items 7c and 7d exclude 9d Bonds Payable (Issued through DOT-9d).

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) that should agree to Attachment HE-10 TAB 5 Part 4 and the institution's footnote disclosure.
- Interest rates for each series (fixed rate series: interest rate range – lowest to highest/variable rate series: effective interest rate as of June 30, 2021)

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 2021): 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.

Continued on next page

Supplemental Information, Continued

**IALR,
RHEA,
VCUHSA,
if applicable**

Item 8 – Reconciliation -Audited SNP & SRECNP to HE-10: The following is due by **October 8, 2021, only** if audited final separately issued financial statements are submitted to DOA pursuant to Attachment HE-13 instructions: Reconciliation of the audited Statement of Net Position (SNP) and Statement of Revenues, Expenses, and Changes, in Net Position (SRECNP) to the Attachment HE-10. DOA will provide the format in a separate communication.

Note: For other institutions that submit final separately issued financial statements to APA pursuant to Attachment HE-13 instructions, a reconciliation between the unaudited SNP and SRECNP to the Attachment HE-10 must be available to the APA by **October 8, 2021**. This reconciliation must clearly document how the institution's separately issued financial statement line items and amounts are reported in the financial statement template for the institution and for foundation(s). This reconciliation must be available to the APA when the final separately issued financial statements are submitted to APA.

**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 10, 2021, 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 and Institution name
- Contact name, phone #, e-mail address
- Name of preparer* and Name of reviewer*
- Description of the supplemental information

The filename for the supplemental information should be the institution number-institution acronym – Supplemental Item #-FY21 (i.e., 260-VCCS – Supplemental Item 6-FY21). 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. If a submission need a revision, please contact the AttachmentAnalyst@doa.virginia.gov mailbox for guidance prior to submission. If a resubmission is approved, a revised submission can be sent to DOA with an explanation in the email as to why revisions are needed.

***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 separately issued 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.
 - Maintain a reconciliation that clearly documents how the institution's separately issued financial statement line items and amounts are reported in the financial statement template for the institution and the foundations. When the separately issued financial statements are submitted to APA, the reconciliation must also be available to the APA. The Attachment HE-10 no longer includes reconciliation tabs to document this crosswalk.
 - Have work papers ready for review by DOA, if requested, or APA, as soon as possible after year-end close, but no 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.
-

This Page Intentionally Left Blank