

# Frequently Asked Questions

---

## General Questions

---

Q1: Is it necessary to read attachment instructions?

A1: Attachments are often modified to meet changing reporting requirements. In order to complete a directive attachment, it is imperative that you read the related instructions. By typing your name in the Certification tab of directive attachments, you are certifying that the preparer and reviewer were not the same and you have read and understood the instructions for completing the attachment.

Q2: What is the purpose of a **Glossary**?

A2: The **Glossary** is a compilation of accounting terms taken from the CAPP Manual, the Commonwealth's Annual Comprehensive Financial Report, various sections of the Comptroller's Directives, the GAAFR, and various GASB and FASB statements. Its purpose is to provide clarification of terms and concepts relevant to the Commonwealth's financial reporting requirements.

Q3: Where can you find **Authoritative Literature** and **Guidance** for preparation of GAAP Basis Fund Financial Statement Templates?

A3: **Authoritative Literature / Guidance for preparation of GAAP Basis Fund Financial Statement Templates** can be found on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov). Click on the "Financial Statement Directives" link.

Q4: What is the Goods/Services Received Date in Cardinal?

A4: The goods and services receipt date is the date goods were received from a vendor or services were completed. For accrual reporting, this date should be June 30 or prior for all expenditures (or revenue refunds) paid in July, August, or September that relate to activity for the prior fiscal year.

Q5: Do capital assets purchased as a group need to be capitalized if the individual acquisition costs are less than the ACFR threshold for an individual asset but the assets in aggregate are significant?

A5: Agencies should capitalize assets whose individual acquisition costs are less than the ACFR threshold for an individual asset if those in the aggregate are significant. Computers, classroom furniture, and library books are examples of asset types that may not meet the capitalization policy on an individual basis yet could be significant collectively. For Annual Comprehensive Financial Report purposes, capitalized assets are equipment related to projects that in the aggregate are valued greater than or equal to \$50,000 and all other asset categories valued greater than or equal to \$100,000.

---

*Continued on next page*

## Questions by Attachment

---

### Attachment 1

Q1: Do amounts reported in **Attachment 1** require inclusion in the Off-Balance Sheet Obligation attachment?

A1: **No**, amounts reported in **Attachment 1** are available to DOA and should not be reported in the Off-Balance Sheet Obligation attachment.

Q2: What is the purpose of the questions in the General Information section of this attachment?

A2: The questions in the General Information section are designed to gather information that will assist DOA in implementing various GASB Statements.

---

### Attachment 5

Q1: What is the purpose of the **Prior Year Energy Performance Contract Cumulative Asset Balance by Agency List**, published on DOA's website?

A1: The purpose of this list is to obtain agency confirmation that it is accurate. The list includes the original contract proceeds, Annual Comprehensive Financial Report threshold level assets recorded, assets below Annual Comprehensive Financial Report threshold level recorded in FAACS, noncapitalizable expenditures, and construction-in-progress (CIP) balance.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### **Attachments 6A and 6B**

Q1: What is **leave liability**?

A1: Leave Liability is the monetary value of the agency staff's leave balances at fiscal year-end.

Q2: What is **current leave**?

A2: Current leave is the portion of the total leave liability due to employees who terminated prior to fiscal year-end but were paid after fiscal year-end, usually in July or August.

Q3: Should **Executive Leave** be included on this attachment?

A3: **Yes.** Per the 2024 Executive Leave Policy, all executive leave should be recorded on an electronic system of record. If this is not HCM, an Attachment 6B should be submitted.

Q4: If the agency uses Cardinal HCM for some employees, but not for ALL employees, which leave attachment should be completed?

A4: These agencies, which are considered "hybrid" agencies, should complete **Attachment 6B** – agencies that DO NOT use Cardinal HCM for all employees.

Q5: Should the due within one-year leave liability calculation include FICA taxes?

A5: **Yes.** The calculation for due within one-year leave liability should include FICA taxes for Social Security (6.2%) and Medicare (1.45%) and should disregard the Social Security maximum base salary.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### Attachment 8

Q1: How should **donated inventory** received be reported?

A1: If inventory was donated to the agency (inventory received by and will be distributed by the Commonwealth) and is **not** reported on a financial statement template (**Attachments 9-12**), it must be excluded from **Tab 1 – Inventory**, and included in **Tab 3 – Donated Inventory**.

Q2: Is any donated inventory exempt from reporting?

A2: **Yes.** Donated inventory that the agency took physical custody of and that was, or will be, distributed by the agency if it is **not** reported on a financial statement template (**Attachments 9-12**) should be **included** on this attachment. However, donated inventory in which the agency only acts in an administrative capacity should be **excluded** from the attachment.

---

### Attachments 9 through 12

Q1: Why am I required to complete a financial statement template (**Attachments 9-12**)?

A1: Generally, financial statement templates are used when information is either not available in Cardinal or full accrual information for stand-alone funds is required to prepare the Annual Comprehensive Financial Report. The Governmental Fund Financial Statement Template is intended to obtain financial statement and footnote information for governmental funds with off-Cardinal activity. The Enterprise Fund and Internal Service Fund Financial Statement Templates are intended to obtain full accrual financial statement and footnote information for proprietary funds, which account for the Commonwealth's business-type activities. The Fiduciary Fund Financial Statement Template is to obtain financial statement and footnote information for Private-purpose Trust Funds and Custodial Funds.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### **Attachment 13**

- Q1: What is the purpose of the **Prior Year Reported Intangible Balances by Agency and Category** list published on DOA's website?
- A1: The purpose of this list is to obtain agency confirmation that the intangible assets reported by the agency as of the prior year by category are accurate. The categories include Water Rights & Easements, Software, and other intangibles. This spreadsheet excludes intangible right-to-use assets related to **GASBS No. 87**, *Leases* and **GASBS No. 96**, *Subscription-Based Information Technology Arrangements*.
- Q2: Should the acquisition cost associated with Land be reported on **Attachment 13** – Capital Asset Accounting and Control System (FAACS) Analysis, part 5, CIP Analysis?
- A2: Typically, land should be recorded as land; however, if the final acquisition cost is unknown, then it would be appropriate to report land as CIP until the actual cost is known. It would be expected that this would occur very infrequently.
- Q3: Is software the only type of intangible asset addressed by **GASBS No. 51**?
- A3: **No.** **GASBS No. 51**, *Accounting and Financial Reporting for Intangible Assets*, identifies numerous types of assets as intangibles. Some of these other assets are easements, water rights, timber rights, patents and trademarks.
- Q4: How can additional information about intangible assets and the Commonwealth's reporting requirements be obtained?
- A4: Refer to the **GASBS No. 51** section of the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates** and CAPP Topic 30325, *Software and Other Intangible Assets*, on DOA's website at [www.doa.virginia.gov](http://www.doa.virginia.gov).
- Q5: Should assets related to long-term liabilities and financed purchase obligations pursuant to **GASBS No. 87**, *Leases* and **GASBS No. 96**, *Subscription-Based Information Technology Arrangements* be reported on **Attachment 13** – Capital Asset Accounting and Control System (FAACS) Analysis?
- A5: **No.** All long-term lease activity, long-term SBITA activity and financed purchase obligation activity pursuant to **GASBS No. 87**, *Leases* and **GASBS No. 96**, *Subscription-Based Information Technology Arrangements* should be captured in the LAS Plus system or Supplemental submissions, unless it is activity that has been transferred to the Bureau of Real Estate Services (BRES) at DGS. BRES will provide the necessary information for all BRES-administered leases.
- Q6: Should maintenance contract payments be reported as multi-year licensing agreements?
- A6: **No.** Payments made for maintenance contracts are not considered multi-year licensing agreements.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### **Attachment 15**

Q1: What is a Unique Entity Identifier (UEI)?

A1: As of April 2022, the federal government replaced the Data Universal Numbering System (DUNS) number, issued by a third party, with the Unique Entity Identifier (UEI), the authoritative identification number provided by the U.S. government. A UEI number is to identify businesses awarded federal grants, awards and contracts and allows entities to obtain an authorized identifier directly from the System for Award Management (SAM). If your entity is registered in [SAM.gov](https://sam.gov), please log in at [SAM.gov](https://sam.gov) to access your assigned UEI number. If you need to obtain a UEI, please visit [SAM.gov | Entity Registrations](https://sam.gov/entity-registrations) and choose “Get Started” to receive a UEI.

Q2: What is an other identifying number?

A2: An other identifying number is a number assigned by the pass-through entity to identify a grant. This number would not be supplied by the Federal grantor or awarding agency, but it should be provided specifically by the pass-through entity. The other identifying number would be entered on the [Disbursed to Nonstate](#) and/or the [Received from Nonstate](#) tabs of the Federal Schedules template. Federal Audit Clearing house (FAC) guidelines require other identifying numbers to be provided for pass-through expenditures. This number may be used as search criteria within the FAC and assists with identification of grants provided by the pass-through entity.

Q3: What do I do if there is no other identifying number?

A3: Contact the pass-through entity to ensure a number has not been assigned. If they confirm no number, then leave the column blank.

Q4: How does the agency report information when there is more than one other identifying number?

A4: If more than one other identifying number is assigned by the pass-through entity, please supply all of the numbers in the appropriate column of the federal schedules template on the appropriate tab for each Assistance Listing number.

Q5: How does the agency report information when there are program expenditures to beneficiaries?

A5: If agencies have distributions to beneficiaries, the expenditures should be reported on the [SEFA](#) or [Received from Nonstate](#) tab depending on the funding source. Please do not include the disbursements on the [Disbursed to Nonstate](#) tab.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### **Attachment 15**, Continued

Q6: How does the agency report information when there were refunds?

A6: Reporting of refunds depends on the following circumstances:

- 1) Refunds of Federal revenue should not be reported on any of the Federal Schedules.
- 2) Refunds of Federal expenditures should be deducted if the refund occurred within the same fiscal year.
- 3) Refunds of Federal expenditures should not be included if the expenditures and refunds are from different fiscal years, these differences might need to be listed as reconciling items on the **Recon** file.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### **Attachment 21**

- Q1: Should a federal receivable always be reported for a federal payable?
- A1: A federal receivable should be reported for federal expenditure payables owed as of June 30 that did not have the offsetting cash on hand (applicable to the specific grant) as of June 30. This should include all modified and full accrual Federal payables that are reported in accordance with the **2024 Fiscal Year End Closing Procedures and Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, any other federal payable (i.e. salaries or wages) processed in July and August, and/or any amount to be included on **Attachment 29 – Government- wide Payables and Other Accruals** as of June 30, that did not have the offsetting cash on hand (applicable to the specific grant) as of June 30.
- Q2: Should a federal receivable always be reported for a federal payable in a pass-through scenario on **Attachment 21 – Receivables** as of June 30?
- A2: For federal grants in which the recipient (original source) will pass the funding on to a sub-recipient to complete the stipulations of the grant, a revenue receivable should be reported on **Attachment 21 – Receivables** as of June 30 for amounts owed at June 30 by the recipient to sub-recipient(s) if the recipient did not have offsetting cash on hand (applicable to the specific grant) at June 30 for each grant. The sub-recipient should only include an agency-to-agency receivable on the **Reconciliation** tab of **Attachment 21** for the amount they are owed by the recipient agency.
- Q3: How are **travel advances** reported?
- A3: Travel advances should be reported on the Quarterly Receivable report and reported on **Attachment 21** on the **Reconciliation** tab.
- Q4: Should federal receivables and payables be recorded in the same time-period?
- A4: **Yes.** All federal receivables must be reported in the same time-period as the corresponding payable. For example, if there is a federal payable paid in July/August then the corresponding receivable must be recorded as collected prior to August 31 since the underlying economic event resulting in the receivable has occurred. These federal payables and receivables must be reported using the same accrual basis.

---

*Continued on next page*



## Questions by Attachment, Continued

---

### **Attachment 23**

- Q1: Should **petty cash advances** be reported on **Attachment 23** – Schedule of Cash, Cash Equivalents, and Investments as of June 30?
- A1: No.
- Q2: How does an agency report derivatives in compliance with **GASBS No. 53**, *Accounting and Financial Reporting for Derivative Instruments*, as amended by **GASBS No. 72**, *Fair Value Measurement and Application*?
- A2: Contact DOA to determine the proper procedure for reporting derivatives.
- Q3: LGIP is my agency’s only investment in an external investment pool. How do I answer question 1e on the **Recordation** tab?
- A3: Virginia Department of the Treasury (Treasury) manages LGIP in accordance with **GASBS No. 79**, *Certain External Investment Pools and Pool Participants*, and reports LGIP at amortized cost. Therefore, if the agency receives LGIP information from Treasury, the agency should answer “yes” to this question. However, if the investment is in the LGIP Extended Maturity (LGIP EM) rather than the LGIP, the answer to question 1e would be N/A and the answer to question 1j should be “yes” because the LGIP EM should be reported at fair value.
- Q4: Investments that are highly sensitive to interest rate changes require additional disclosure of investment type, terms that make the investment highly sensitive to interest rate changes, and fair value of the investment. What are examples of cash equivalents or investments in debt securities that are highly sensitive to interest rate changes?
- A4: Two examples are a variable-rate investment with a multiplier, and a variable-rate investment with a coupon that varies inversely with a benchmark index. Additional examples of highly sensitive investments can be found in the applicable Implementation Guide issued by GASB. The Implementation Guide can be obtained at [www.gasb.org](http://www.gasb.org).
- Q5: How does **Attachment 23** accommodate the requirements of **GASBS No. 72**, *Fair Value Measurement and Application*?
- A5: The **Cash Equiv. & Inv. Not w Tr** tab includes four columns to capture certain information regarding amounts reported at fair value. These columns require an indication of 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**. The **Recordation** tab includes a row for investments permitted to be reported at net asset value in accordance with **GASBS No. 72**.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### Attachment 23, Continued

- Q6: An agency has investments that are reported at fair value. How are these investments classified into a fair value hierarchy level (Level 1, Level 2, or Level 3) on the **Cash Equiv. & Inv. Not w Tr** tab pursuant to the requirements of GASBS No. 72?
- A6: An investment is categorized into a fair value hierarchy level based on the inputs to valuation techniques used to measure its fair value. GASBS No. 72, paragraphs 32 through 43, provide information related to fair value hierarchy levels. Furthermore, such information can be obtained from the investment manager or custodian handling this investment. The agency and not DOA makes the determination as to the classification of an investment into an appropriate fair value hierarchy level.
- Q7: An agency has investments in a Local Government Investment Pool (LGIP) or an external investment pool that meets the requirements of GASBS No. 79 to report all investments at amortized cost. How are these investments classified into a fair value hierarchy level (Level 1, Level 2, or Level 3) on the **Cash Equiv. & Inv. Not w Tr** tab pursuant to the requirement of GASBS No. 72?
- A7: Investments that are not measured at fair value should be reported in the “Not applicable to fair value measurement per GASBS No. 72” column on the **Cash Equiv. & Inv. Not w Tr** tab.
- Note:** If the agency has investments in the LGIP EM, those investments must be reported at fair value rather than amortized cost.
- Q8: What is a formally adopted deposit or investment policy and in what circumstances is such policy required to be disclosed to comply with GASBS No. 40, *Deposit and Investment Risk Disclosures*, requirements?
- A8: A formally adopted deposit or investment policy is the one that limits agency’s allowable deposits or investments. An investment policy is typically formally adopted through legal or contractual provisions or by the governing board. An agency that has deposits or investments exposed to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk is required to disclose formally adopted deposit or investment policy pertaining to those risks.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### Attachment 24

- Q1: When completing **Attachment 24** – Donor-restricted Endowments, should investment income be included in the amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the governing board?
- A1: **No**, net appreciation on investments of donor-restricted endowments does not include dividends or interest income.
- Q2: Should negative amounts be entered in the net appreciation column on the attachment?
- A2: **No**, enter zero.
- Q3: Should ALL donor restricted endowments be reported on this attachment?
- A3: **No**, donor restricted endowments that total more than \$500,000 should be reported. If the total amount is less than \$500,000 then an attachment is not required.
- 

### Attachment 25

- Q1: What constitutes a **termination benefit**?
- A1: **Termination benefits** are benefits provided to a terminated employee as a result of their termination that would not otherwise have been provided. Examples include severance pay or early retirement incentive benefits. Accrued leave payouts that were earned as a result of services rendered are **not** considered termination benefits.
- Q2: What is a good source for obtaining termination benefit information for the agency?
- A2: Termination benefits are the result of an authorized plan of termination, which requires approval by those at the agency with the authority to commit the agency to the plan. A good source for this information is the agency **Human Resources Office** since after approval of a termination plan, the Human Resources Office is usually responsible for carrying out the details of the plan.
- Q3: Should benefit payments relating to terminations taking place in a year other than fiscal year 2024 be included on the attachment?
- A3: **No**, only benefits paid out and/or due as a result of fiscal year 2024 terminations should be included on this attachment.
- 

*Continued on next page*

## Questions by Attachment, Continued

---

### Attachment 27

- Q1: Does **Attachment 27 – GASBS No. 33** – Federal Fund Analysis – Non-reimbursement Grants, have to be completed if the agency only has reimbursement based grants and does not have any advance funded grants?
- A1: **Yes**, all agencies with federal funds must complete this attachment.
- Q2: Should the modified and full accrual receivables amounts agree to any other attachment?
- A2: **Yes**, they should agree to amounts entered on **Attachment 21** – Receivables as of June 30, for the specific grant(s).
- Q3: Should the total other full accrual entry amounts agree to any other attachment or Cardinal report?
- A3: **Yes**, they should agree to amounts entered on **Attachment 29** – Government-wide Payables and Other Accruals as of June 30, for the specific grant(s). Additionally, this should include full accruals paid in September 2024 in accordance with the **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**.
- Q4: Should a federal receivable always be reported for a federal payable?
- A4: A federal receivable should be reported for federal expenditure payables owed as of June 30 if sufficient cash specific to the grant was not available at June 30. This should include all modified and full accrual federal payables that are reported in accordance with the **2024 Fiscal Year End Closing Procedures** and **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, any other federal payable (i.e. salaries or wages) processed in July and August, and/or any amount to be included on **Attachment 29** that did not have the offsetting cash on hand (applicable to the specific grant) as of June 30.
- Q5: Should Account 205025 be included in the Ending Fund Balance?
- A5: **Yes**. The Ending Balance per Cardinal column (step 7) should include assets minus liabilities, which would include Account 205025.

---

*Continued on next page*

## Questions by Attachment, Continued

---

### **Attachment 34**

- Q1: Since all agencies are required to submit **Attachment 34** – 2024 Off-Balance Sheet Financial Obligations, how should the agency report to DOA if there are no off-balance sheet obligations?
- A1: If the agency determines there are no off-balance sheet obligations that require inclusion in **Attachment 34**, the agency should use the drop-down to answer “no,” complete the Certification tab, and submit.
- Q2: Should contracts with localities be reported on **Attachment 34**?
- A2: It depends on the nature of the contract. DOA is trying to use information available from central service agencies to the extent possible. If the contract with the locality represents a normal, recurring operational cost included in the 6-year plan submitted to DPB, it does not require inclusion in **Attachment 34**. If it is not included in the 6-year plan and the Commonwealth is committed to future outflows, it should be included in **Attachment 34**.
- Q3: If the Commonwealth receives a grant but the grant is solely reimbursement-based (i.e., the Commonwealth has spent the money and is being reimbursed), should this be reported on **Attachment 34**?
- A3: **No**, the Commonwealth is not committed to a future outflow of funds.
- Q4: What is deferred maintenance, and should it be reported on **Attachment 34**?
- A4: Deferred maintenance are costs associated with agency owned assets (non-DGS assets) where necessary maintenance has been postponed for cost cutting or other budgetary reasons. These amounts should be reported on **Attachment 34**.
- Q5: Should leases or SBITAs entered into LAS Plus be included on **Attachment 34**?
- A5: **No**, leases and SBITAs previously reported to DOA either through LAS Plus or other Directive submissions should not be included on **Attachment 34**.
-

**This Page Intentionally Left Blank**