

Comptroller’s Directive No. 1-24
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Purpose

This attachment is used to obtain information on capital assets recorded in fund **1500** in FAACS and 15000 in Cardinal.

Note: Capital assets related to Long-term Lease Liabilities and Financed Purchase Obligations pursuant to **GASBS No. 87** and Subscription-based Information Technology Arrangements pursuant to **GASBS No. 96** should not be recorded in FAACS but should be reported in LAS Plus.

This attachment is similar to prior year’s Attachment 13.

Applicable agencies

Agencies that account for capital assets in fund **1500** in FAACS and 15000 in Cardinal.

Exemptions: The following agencies provide a financial statement template or supplemental information and do not need to submit this attachment:

- Department of Conservation and Recreation
 - Department of Environmental Quality
 - Department of Medical Assistance Services
 - Department of Rail and Public Transportation
 - Department of Transportation
 - Department of Wildlife Resources
 - Virginia Correctional Enterprises
 - Virginia Information Technologies Agency
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Questions and training

For questions or to request detailed training from an analyst, please contact: FAACS@doa.virginia.gov.

Please reference the attachment number in the subject line of the e-mail.

Detailed **Attachment 13** training is available in the Learning Center (COVLC) at <https://covlc.virginia.gov>. Click on the “Catalog” link and search using the keyword “**DOA Directive**.” Click the course/reference you wish to access. If the agency has difficulty accessing the training, contact your agency COVLC site administrator, or e-mail doatraining@doa.virginia.gov for guidance.

Please note that if an agency is not a member of the Learning Center, users will not be able to access the training. However, a PDF copy of the PowerPoint slides can be made available to those agencies.

Due date

August 8, 2024

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Data entry

Only cells highlighted in yellow allow for data entry. Error messages in cells are intended to alert preparers that established parameters are not being followed. **Failure to correct Errors or provide answers to all required questions prior to submission will prohibit acceptance of the attachment. Selected cells requiring a response will be populated with an "Answer Required" message until a response is entered.**

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 agency staffing does not allow for a different preparer and reviewer, please contact DOA.**

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Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att13. For example, agency 151 should rename its Att13.xlsx file as 151Att13.xlsx.

Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.

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

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

Do not submit paper copies of the Excel attachment.

For your convenience, the contact information in all but the first tab in each attachment/template has been unlocked and shaded yellow. The contact information continues to be auto filled with the information from the first tab but the cells remain unlocked to allow for more than one preparer to complete the attachment.

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**Attachment
revisions**

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 below.

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 attachment Excel 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.

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.

**CAPP Topic
30325**

CAPP Topic 30325, *Software and Other Intangible Assets*, addresses the requirements of [GASBS No. 51](#).

Note: Individuals completing this attachment should ensure that the most recent update to these CAPP Topics have been reviewed and understood. Contact DOA if you have any questions.

**Other
Authoritative
Guidance**

[The Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates](#) on DOA’s website at www.doa.virginia.gov provides additional guidance for reporting capital assets including intangible assets.

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Materiality scope for Part 1

Explain variances that are greater than or equal to 10% of the difference between the FY 2023 and FY 2024 GLA amounts **AND** \$1.0 million.

Completing Part 1

Part 1 contains the format for the fluctuation analysis. Information populated by agency and control agency should agree with the FAC 736/767 reports.

Note: All amounts are rounded to the nearest dollar.

Step	Action
1	<p>Each agency should click on the down arrow in the “Control Agency” column. Scroll to the appropriate agency and click on it. Most agencies and control agencies are the same; however, there are some agencies (e.g. Behavioral Health, Corrections) that control numerous agencies.</p> <p>Performing this step will allow only the applicable agency or agencies to display. All other agencies will be hidden by Excel.</p>
2	<p>In the “Beginning Balance” column, verify the amount agrees to the FAC 736 section 3 for Cost and FAC767 section 4 for Accumulated Depreciation reports as of July 1, 2023, for each category (i.e., Land, Buildings, Infrastructure, Equipment, Construction-in-Progress, and Accumulated Depreciation for Buildings, Infrastructure and Equipment). If more detailed information is needed for Construction-in-Progress, the agency can use the FAC 751 report.</p>
3	<p>Verify the acquisitions/additions of capital assets. Included in the amount is Construction-in-Progress (CIP) completed during the fiscal year and capitalized as a depreciable asset. Agencies will need to review additions to other asset categories and deductions from CIP for reasonableness. Agencies will inform DOA of the reclassification activity in Step 6.</p> <p><u>Note:</u> The project number, description and amount of additions to CIP will need to be documented on the CIP Analysis tab – Part 4.</p>

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Completing Part 1, continued

Step	Action
4	Verify the deductions of capital assets. These amounts should agree to the decreases (credits) for the current fiscal year on the FAC 736 report and the decreases (debits) for the current fiscal year on the FAC 767 report. Included in the amount is Construction-in-Progress (CIP) completed during the fiscal year and capitalized as a depreciable asset. Agencies will need to review additions to other asset categories and deductions from CIP for reasonableness. Agencies will still need to inform DOA of the reclassification activity in Step 6.
5	This column has formulas. Agree amounts to the FAC 736/767 reports as of June 30, 2024, for fund 1500 by GLA. For amounts that do not agree, recheck amounts and formulas.
6	Enter the amount that represents CIP completed and added to another asset category . Verify the amount agrees with the increase in other asset categories (1-4) and the decrease shown in CIP (category 5). The GLA’s showing increases are 365, 366, 368 and 370. The GLA showing the decrease is 372. The increases to assets and decreases to CIP should net to zero. Any CIP reductions that do not result in an asset should not be included on this tab. Instead, these amounts should be reported in the “Cancelled, Expensed, Corrections” column on the CIP Analysis– Part 5 tab . <u>Note:</u> Provide the FAACS ID numbers, tag numbers and descriptions of additions to capital assets (buildings/infrastructure) that are a result of decreases to CIP in the CIP Analysis tab – Part 5 . If more detailed information is needed for Construction-in-Progress, the agency can use the FAC 751 report.

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Completing Part 1, continued

Step	Action
7 – 9b	<p>Review GLAs with significant variances. Explain variances that are greater than or equal to 10% of the difference between the fiscal year 2023 and fiscal year 2024 GLA amounts AND \$1.0 million. Step 9a will automatically test each GLA balance and identify any GLA where the variance exceeds the above thresholds by populating a “yes” or “no.” Provide an explanation in Step 9b for any GLA variance where a “yes” is shown in Step 9a.</p> <p>Review changes for each asset category separately. Consider increases and decreases separately when analyzing the changes.</p> <p>To help, use the following guidelines:</p> <ul style="list-style-type: none"> • <u>Land, Buildings, or Infrastructure</u>: Identify the tract of land, building, or infrastructure for significant changes. • <u>Construction-in-Progress (CIP)</u>: Identify the project code for significant changes. • <u>Equipment</u>: Provide a general description of changes.

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**Completing
Part 2**

This questionnaire assists in analyzing capital asset information and documenting that ending balances on the fluctuation analysis (part 1) agree to FAACS.

As previously noted, training to facilitate the completion of this attachment was made available this year. Please indicate whether the training was beneficial and provide any suggested improvements.

Step	Action
1	<p>A) If balances on the fluctuation analysis (part 1, step 5) do not agree to the FAC 736/767 reports as of June 30, 2024, explain the differences.</p> <p>B) If the amounts on the fluctuation analysis (part 1, step 5) are not correct, explain the differences.</p> <p>C) Confirm that capital assets related to Long-term Lease Liabilities, and/or Financed Purchase Obligations are not recorded in FAACS.</p> <p>D) Confirm that intangible assets related to Long-term Subscription-Based Information Technology Arrangements (SBITAs) are not recorded in FAACS.</p> <p>E) Confirm that the balances reported in the Prior Year Energy Contract Cumulative Asset Balance by Agency List is correct. If the listing is incorrect, provide an explanation.</p>
2	<p>Sale/Transfer/Disposal of Capital Assets: For the sale/transfer/disposal of capital assets, were there any sales/transfers/disposals of land, buildings and/or infrastructure with a historical cost greater than or equal to \$100,000 or equipment with a historical cost greater than or equal to \$50,000 for fiscal year 2024? If yes, provide asset and coding information required in the table. For Transfers include the receiving agency’s information. For Sales include the fund that the proceeds were deposited to.</p>
3	<p>Trade-ins: State whether there were any disposals of capital assets during fiscal year ended June 30, 2024, that were used for trade-ins on new capital assets recorded in FAACS. If there were, complete the table. On the left side state the asset that was traded-in (noting the value received), and on the right state the corresponding asset that was purchased.</p>
4	<p>Intangible Assets: Complete questions 4a through 4f and provide the requested information for any intangible assets. Project costs associated with internally developed software projects where the Application Development Stage may take several months or years to complete should be first recorded as construction-in-progress (CIP). Upon completion of the project, the CIP should be reversed and the software intangible asset should be recorded as a separate asset.</p> <p>Note: Question 4b requests information related to perpetual licensing agreements and intangible assets that are considered internally generated. Please ensure that maintenance contracts are excluded from this section.</p>

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Completing Part 2, continued

Step	Action
5	<p>Donated Capital Assets, Works of Art, or Capital Assets Received through a Service Concession Arrangement.</p> <p>Complete questions 5a through 5c and provide the requested information for any of the agency’s donated capital assets, donated works of art, historical treasures or similar assets or capital assets received through a service concession arrangement during FY 2024. For service concession arrangements also provide a description of the service concession arrangement assets received.</p> <p>Depending upon your answers, DOA may contact you for additional information.</p>
6	<p>Asset Retirement Obligation</p> <p>Complete question 6 and provide the requested information for any Asset Retirement Obligation.</p>
7	<p>Payables Owed at June 30 but Paid After June 30 That Result in Capital Asset(s) Other Than CIP.</p> <p>An expenditure that is recorded as a payable owed at June 30 but paid after June 30 for an asset other than CIP must be recorded as an asset on the Government-wide financial statements if the asset was received and placed in service by June 30, 2024, even if the corresponding invoice had neither been received nor paid by the fiscal year-end close. Report only payables where an asset above the Annual Comprehensive Financial Report threshold (\$100,000-Land, Bldgs, Infrastructure and \$50,000 for Equipment) was not entered in FAACS by the fiscal year 2024 year-end close date.</p>

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Completing Part 2, continued

Step	Action
7 continued	<p>Please provide the following information:</p> <p>Use the drop-down menus for the “Month” and “Asset Category” fields when completing questions 7a and 7b.</p> <p>a) List any payable owed at June 30 that will be paid after June 30 for program 998000 that will result in an asset other than CIP. Provide the month (select July or August), Cardinal Payment Reference number, Asset Category, Cardinal Payment Reference total, the date the asset was received and accepted by the agency, and the amount that will be recorded as additions to Non-CIP asset categories (land, building, infrastructure or equipment).</p> <p>b) List any payable owed at June 30 that will be paid after June 30 for other programs that will result in an asset other than CIP. Provide the month (select July or August), program number, asset category, Cardinal Payment Reference number, Cardinal Payment Reference total, the date the asset was received and accepted by the agency, asset useful life (in years), acquisition date, and the amount that will be recorded as additions to Non-CIP asset categories (land, building, infrastructure or equipment). Only include payables that result in an asset above the Annual Comprehensive Financial Report threshold (\$100,000-Land, Bldgs, Infrastructure and \$50,000 for Equipment).</p> <p>Note: The amounts entered in 7a and/or 7b should not be included in other amounts on this attachment or already entered into FAACS by the FY 2024 year-end close date.</p>
8	<p><u>GASBS No. 100</u>, <i>Accounting Changes and Error Corrections</i>. (Note: DOA may request additional information in a separate communication.):</p> <p>If the agency has a Change in Accounting estimate, reclassification from a change in accounting principle and/or reclassification from an error correction, please provide the reason for the change, asset category, program and amount.</p>

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Completing Part 3

This questionnaire assists in the analysis of the amounts reported for Construction-in-Progress (CIP) on a cash and accrual basis. Steps 1 and 2 request CIP information on a cash basis and Step 3 requests CIP information on an accrual basis.

Note: Pursuant to **GASBS No. 89**, *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest cost incurred before the end of the construction period is recognized as an expense in the period in which the cost is incurred and is not included in the capitalized value of the assets.

Step	Action
1a	<p>Cash Basis Additions – CIP</p> <ul style="list-style-type: none">• Enter the amount recorded on Cardinal as expenditures for program code 998000, Capital Projects, for fiscal year ended June 30, 2024. Note: This should tie to the RGL006 (Statement of Appropriations, Allotments and Expenditure report) out of Cardinal.• Enter the amount included in the expenditure total that represents maintenance reserve expenditures, if any, that will not be capitalized as CIP. Note: These are maintenance expenditures that were included on the RGL006 that do not qualify as a capital asset. An example would be a “like for like” roof replacement• Enter the amount of expenditures, if any, recorded in a program other than 998000 (including GASB No. 51 software development projects) that should be recorded as CIP.• Enter the amount of expenditures, if any, from Energy Performance Contracts that should be recorded as CIP. The amounts entered here should agree to amounts entered on Attachment 5.
1b	<ul style="list-style-type: none">• Enter the amount of true current year additions (included in part 1, step 3) recorded in FAACS for CIP. Exclude any amount entered into FAACS that is related to prior year adjustments or correcting entries• Explain differences in these amounts, including project numbers and amounts. Be as detailed as possible.
1c	<ul style="list-style-type: none">• Enter the amount of current year additions to CIP related to Pollution Remediation. The amounts entered here should agree to amounts entered on Attachment 26.

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Completing Part 3, continued

Step	Action
2	<p>Annual Comprehensive Financial Report (ACFR) CIP Beginning Balance, Additions, Deductions, and Ending Balances</p> <p>Record the proper, accurate and correct beginning balance of CIP per internal records. If a difference was noted in Step 1 or the amounts recorded in FAACS for CIP are not correct enter the correct balances. Make sure the differences are explained in the dialogue box noted in step 1b.</p> <ul style="list-style-type: none"> • CIP Beginning Balance –The CIP Beginning Balance is pre-populated based upon the CIP Ending Balance recorded in the Annual Comprehensive Financial Report for FY 2023. The ACFR CIP beginning balance includes any CIP payables that were reported with last year’s submission. If an agency does not agree with the pre-populated CIP Beginning Balance select “No” using the dropdown and enter the CIP Beginning Balance amount that the agency believes is correct. An explanation will be required as to why the pre-populated amount is incorrect if the agency does not agree to the amount shown. • CIP Additions – this amount should be based on current year expenditures that will eventually be reported as a capital asset. • CIP Deductions – this amount should relate to corresponding increases in another asset category unless impairment of the CIP project occurs. If an impairment occurs, Attachment 14 must be completed. <p>CIP Ending Balance – this amount is calculated on the sheet and should agree to internal records, unless an impairment has occurred. Refer to Attachment 14, Impairment of Capital Assets.</p>
3	<p>Accrual Basis Additions – CIP</p> <p>An expenditure that is recorded as a payable owed at June 30 that will be paid after June 30 for CIP must be recorded as an asset (CIP) on the Government-wide financial statements. Therefore, please provide the following information:</p>
3a	<ul style="list-style-type: none"> • List any payables owed at June 30 that will be paid after June 30 for program 998000 that will result in CIP. Provide the month (select July or August), the payable Cardinal Payment Reference number(s), the Cardinal Payment Reference total, the Project Number, and the amount that will be recorded as additions to CIP.

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**Completing
Part 3,
continued**

Step	Action
3b	<ul style="list-style-type: none"> List any payables owed at June 30 but that will be paid after June 30 for other programs that will result in CIP. Provide the month (select July or August), program number, Cardinal Payment Reference numbers, Cardinal Payment Reference total, Project number, and the amount that will be recorded as additions to CIP.
3c	<ul style="list-style-type: none"> List any disbursements made after June 30 for amounts owed as of June 30 for energy performance contracts that will result in CIP. <p>Note: The amounts in 3a through 3c should <u>NOT</u> be included in other amounts on this template or in FAACS. If they are, contact DOA immediately.</p>

**Completing
Part 4**

This questionnaire assists agencies reporting the details related to increases for Construction-in-Progress on a **cash basis**.

- The total increases reported in Part 4 should agree to the amount reported for CIP Additions in Part 3, Question 2.
- From the drop-down menu, select the type of Asset that the current year CIP increases are related to: Energy Performance Contracts, Pollution Remediation, Intangible Asset, or Capital Projects.

Note: Provide the project number, FAACS ID number, description, and the amount of the increase for each item. If the agency discovers CIP that was omitted from FAACS prior to year-end close, list it and notate “Not in FAACS” as the FAACS Form 4 ID Number.

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**Completing
Part 5**

This questionnaire assists agencies reporting the details related to decreases for Construction-in-Progress on a **cash basis**.

- The total decreases reported in Part 5 should agree to the amount reported for CIP Deductions in Part 3, Question 2.
- The asset categories of Building, Infrastructure, Equipment and Land as well as Cancelled/Expensed/Correction are available for Part 5 (please note, while possible in certain circumstances, Land is typically not part of CIP). The decrease in CIP and total offsetting increase should equal.
- From the drop-down menu, select the type of Asset that the current year CIP decreases are related to: Energy Performance Contracts, Pollution Remediation, Intangible Asset, or Capital Projects.
- If Intangible Asset, select from the drop-down menu the type of Intangible Asset.
- The total increases for Building, Infrastructure, and Equipment, and Land in Part 5 should agree to the amount reported in Part 1, Step 6. If not, provide an explanation for the difference in the textbox shown on Part 5.

Note: Provide the project number, FAACS ID number, description, and the amount of the decrease for each item. If the agency discovers CIP that was omitted from FAACS prior to year-end close, list it and notate “Not in FAACS” as the FAACS Form 4 ID Number.

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**Completing
Part 6**

This questionnaire assists in the analysis of inventory and fully depreciated assets.

Action
<p>Answer the following questions.</p> <p>a) Has the agency completed an inventory of capital assets in FY 2024? Additionally, include the date the last inventory was completed.</p> <p>b) When will the next inventory of capital assets be completed? For certification purposes, type the name, title, phone number, and e-mail address of the agency representative who ensures such an inventory has been conducted.</p> <p>Note: Agencies should review all assets in use to ensure that the current useful life is appropriate. Useful life adjustments should be made to reflect the actual agency usage of an asset. See CAPP Topic 30605 for guidance.</p> <p>c) Provide a description of the useful life methodology that has been developed.</p>

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