

**Comptroller's Directive No. 1-24**  
**Attachment 7**  
**Schedule of Outstanding Installment Purchase Obligations**

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**Purpose**

This attachment is used to gather uniform financial reporting information for installment purchase obligations including footnote disclosures. This is similar to prior year's Attachment 7.

**Do not include any information on this attachment related to energy performance contracts. Installment purchase obligations for energy performance contracts should be reported on [Attachment 5, Energy Performance Contracts](#).**

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**Applicable agencies**

All agencies with installment purchases that are **not** reported on Attachment 5 or a financial statement template **must** complete this attachment.

The beginning balance will automatically populate based on the agency number keyed into the **IP Worksheet** tab of the attachment spreadsheet. In order to obtain the appropriate beginning balances, the following agencies must key the specified three-digit agency number for all related facilities/agencies:

- The Department of Corrections must aggregate central office and all facilities using 701.
  - The Department of Behavioral Health and Developmental Services must aggregate central office and all facilities using 720.
  - The Supreme Court of Virginia must aggregate agencies 103, 111, 112, 113, 114, 115, 116, 125, 160 using 111.
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**Questions**

For questions or to request detailed training from an analyst, please contact:

[AttachmentAnalyst@doa.virginia.gov](mailto:AttachmentAnalyst@doa.virginia.gov).

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

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**Due date**

**July 18, 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.**

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**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 spreadsheets.

**After downloading the files, rename the spreadsheet file using the agency number followed by Att7.** For example, agency 151 should rename its Att7.xlsx file as 151Att7.xlsx.

**Submit the Excel spreadsheet electronically to [finrept-agyatt@doa.virginia.gov](mailto:finrept-agyatt@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](mailto:APAFinRept@apa.virginia.gov).**

**Do not submit paper copies of these Excel spreadsheets.**

For your convenience, the yellow contact information cells have been linked to the remaining tabs. However, they 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](mailto: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.**

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**Definitions**

**Installment Purchases** – Financing agreements to acquire assets for which title passes immediately to the agency. Financing arrangements covered by the Treasury Board Master Equipment Leasing Program are considered installment purchases.

**Lease** – As defined by **GASBS No. 87**, *Leases*, a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

**Capitalized Assets** – For the 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.

**Controlled Assets** – For the Annual Comprehensive Financial Report purposes, controlled assets are equipment less than \$50,000 and all other asset categories less than \$100,000.

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**Additional considerations**

**LAS Plus and FAACS**

Agencies should ensure that installment purchases are NOT included in the Lease Accounting System (LAS Plus) and that the capital assets acquired through these installment purchases are properly recorded in FAACS.

**Audit**

For audit purposes, prepare and maintain a separate listing of assets acquired that are under outstanding installment purchases.

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**Completing IP Worksheet tab**

Cells that require input are shaded in light yellow.

Step	Action
	Enter the agency number. <b>This must be done FIRST for the spreadsheet to function properly.</b> For your convenience, the contact information on the remaining tabs is linked to the <b>IP Worksheet</b> tab; however, the cells on the remaining tabs are unlocked to allow keying of different information if necessary.
1	<ul style="list-style-type: none"> <li>• Enter beginning balance amount. If the beginning balance amount does not represent the agency's ending balance reported in the prior fiscal year Directive submission, please provide an explanation in the comment box.</li> </ul> <p><b>Note:</b> If a restatement of the prior balance is required, contact those listed in the <b>Questions</b> section of this directive.</p> <p>The Department of Corrections must aggregate central office and all facilities using 701.</p> <p>The Department of Behavioral Health and Developmental Services must aggregate central office and all facilities using 720.</p> <p>The Supreme Court of Virginia must aggregate agencies 103, 111, 112, 113, 114, 115, 116, 125, 160 using 111.</p> <ul style="list-style-type: none"> <li>• Enter the amount of any new installment purchase obligations for the current fiscal year.</li> <li>• Enter the principal payments made in the current fiscal year for installment purchases.</li> <li>• The ending balance will be computed for the agency. The agency does not have to enter this number. <b><u>This number MUST agree to the total future principal payments on the Long-term Debt tab.</u></b></li> </ul>
2	<p><b>Complete the detailed information about new installment purchase obligations:</b></p> <ul style="list-style-type: none"> <li>• Enter new acquisitions by fund and function. Fund name will auto populate once a fund number is entered. Please verify that this fund is the intended fund. If the following message appears, “Verify fund number and Contact DOA”, please contact DOA.</li> <li>• Total acquisitions <b>MUST</b> agree to the total in Step 1. If not, an “error” message will appear.</li> </ul>

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Completing IP Worksheet tab, Continued

Step	Action
3	<p><b>Complete the detailed information about the principal and interest payments:</b></p> <ul style="list-style-type: none"> <li>• Enter corresponding amount of principal and interest by function. Function codes are defined on page 9.</li> <li>• Total principal <b>MUST</b> agree to the total in Step 1. If not, an “error” message will appear.</li> </ul>
4	<p><b>Completing the detailed information about assets acquired with new installment purchases (or acquisitions):</b></p> <ul style="list-style-type: none"> <li>• Select yes or no for whether any assets valued at \$50,000 or more were acquired with new installment purchase obligations in the current fiscal year. If <b>yes</b>, go to the next question. If <b>no</b>, go to the <b>Long-term Debt</b> tab.</li> <li>• Select yes or no for whether assets valued at \$50,000 or more acquired with new installment purchase obligations were recorded in FAACS in the current fiscal year. If <b>yes</b>, complete the detailed information about the assets in the schedule and then go to the <b>Long-term Debt</b> tab. If <b>no</b>, explain why the assets were not recorded in FAACS in the current fiscal year and then go to the <b>Long-term Debt</b> tab.</li> </ul> <p><b>Note:</b> All installment purchase assets on FAACS should be marked with an "I" in the acquisition method field. For any installment purchase assets that do not have an "I", immediately correct the acquisition method and the funding source in FAACS <b>and notify DOA</b>.</p> <p><b>Note:</b> Soft costs should be amortized over the life of the asset and included in the payment amounts being reported. These costs include freight and transportation charges, installation costs, site preparation expenditures, professional fees (including title costs and surveying fees <u>if</u> appropriate), and legal costs directly attributable to the asset acquisition. (Also see CAPP Topic 30210, <i>Acquisition Valuation</i>, for more detailed information.)</p>
5	<p><b>Complete the detailed information about Escrow MELPS and CIP:</b></p> <ul style="list-style-type: none"> <li>• Enter Escrow MELPS progress payments made during the fiscal year by providing the FAACS CIP Form # and corresponding amount.</li> </ul>

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## Schedule of Outstanding Installment Purchase Obligations

**Completing the Long-term Debt tab**

The contact information is linked to the **IP Worksheet** tab. Cells that require input are shaded in light yellow.

Step	Action
1	Enter future principal and interest payments by year for the first five fiscal years indicated, and then in five-year increments thereafter. <b>Total principal payments MUST EQUAL the ending balance on the IP Worksheet tab. If not, an “error” message will appear.</b>
2	<ul style="list-style-type: none"> <li>• Answer yes or no for whether or not the Installment Purchase Contract contains any of the three disclosure terms for <b><u>GASBS No. 88</u></b>, <i>Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements</i></li> <li>• For any “yes” answers, please provide contract details.</li> </ul>
3	<p>The total future principal payment amounts are linked to the total of the principal amounts entered in Step 1.</p> <p>Enter the agency total principal shown on the MELP listing located at <a href="http://www.doa.virginia.gov">www.doa.virginia.gov</a>. Click on the “Financial Statement Directives” link. The variance and whether a fluctuation analysis is required is automatically calculated.</p> <p><b>Note:</b> <b>The MELP listing for the current fiscal year will be available early-July.</b></p> <p>Provide a detailed explanation of the variance in the space provided on the attachment.</p>

**Function codes defined**

Function codes are the first number in every program. For example, program/service area 103010 “Community Services” would fall under the “Education” function. Each function code and its corresponding description are listed below.

- 1 – Education
- 3 – Administration of Justice
- 4 – Individual and Family Services
- 5 – Resources and Economic Development
- 6 – Transportation
- 7 – General Government
- 9 – Capital Outlay