

## Department of Administrative Services - State Accounting Enterprise

<b>Section</b> PRE-AUDIT	<b>Procedure Number</b> 280.301	<b>Page Number</b> 1 of 2	<b>Effective Date</b> June 1, 2004 Revised 2/10/09
<b>Subject</b> ACCOUNTING TRANSACTIONS INTERNAL EXCHANGE TRANSFER (IET) & INTERNAL PAYMENT REQUEST COMMODITY BASED (PRCI) REGULAR TRANSFERS			

1. The "INTERNAL EXCHANGE TRANSFER" (IET) is used to transfer funds from one department (the buyer) to another department (the seller). All transfers between state departments must be processed on these forms. See pages 3 & 4 of this procedure for an example of IET.  
  
The IET is used for most internal service payments and transfers between or within funds. Examples include: intergovernmental payments to such monthly billings of the Department of Justice, Auditor, eDAS billings, ICN billings, the biweekly payroll deductions, and the transfer of funds between funds within the same department or between departments.  
  
Certain specific transactions are completed on a PRCI in order for DAS-CPE to capture commodity/contract information.
2. An IET or PRCI transaction serves the same purpose as writing a warrant, without actually having to write the warrant. Therefore, all rules and regulations that apply to document types that produce warrants are also applicable to IET and PRCI transactions.
3. When processing IET or PRCI the appropriate event type must be used. Transactions can be defined by two criteria. First, is the transaction the purchase of a good or service, and second, is the transaction within a fund or between funds. The PRCI is used when certain commodity/contract information needs to be captured and involves the purchase of goods or service. The IET can also be used for the purchase of a goods or service. If the purchase of a goods or service is involved, the event types of IN09-Inter (between) fund Purchase or IN23 Intra (within) fund Purchase are used. Non transfer object and revenue source codes should be used.
4. If the transaction involves the flow of assets between funds or within a fund without flows of assets in return and without a requirement for repayment, an IET should be used with the Event Type of IN04-Interfund Transfer or IN06-Intrafund Transfer.
5. While all transfer should use the proper corresponding codes (revenue class 204 and expenditure class of 407), in many instances, this does not give the departments the detail they need. It is allowable to use other revenue and object codes if needed for departmental reporting or tracking purposes.
6. Certain fund types should have very limited to no transfer activity to be in accordance with GAAP. Agency funds, for example only report assets and liabilities in the CAFR and do not report equity or operating statements, therefore no transfers. As a general rule, Enterprise, Internal Service, Private Purpose Trust, Pension Trust, Agency and Component Units should use transfers only in limited situations. The GAAP classification of a fund can be found in I/3 in the FUND table under rollups. The GAAP fund classification is "FUND GROUP". Click on the pick list arrow to see what GAAP fund type the letter stands for.

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7. For more information on GAAP and transfers, refer to your GAAP manual, section 120.20.
8. There are two processes in which IET and PRCI transfers are made. One, which is explained in procedure 280.302, is an automated transfer. The other, which is explained below is the more common, routine transfer.
9. The seller department prepares an invoice and sends it, along with proper supporting documentation to the buyer. The buyer department then prepares an IET or PRCI, on-lines the document, pre-audits, applies the appropriate department approval levels on I/3 and forwards document, along with proper supporting documentation to DAS-SAE-Daily Processing. When the buyer has original documentation that needs to be sent to the seller (e.g. - original applications, sales tax remittances, etc.), a photocopy should be attached to the document. The original documentation should be attached to a photocopy of the IET or PRCI and sent to the seller department.
10. Once an IET or PRCI has been processed in I/3, a report is created in the Data Warehouse on the following day. The reports, **Daily Accounting Packet – Internal Exchange Transfers** for IET's and **Daily Accounting Packet – PRCI Payment Request** for PRCI's, is located in the Data Warehouse at this link: <https://i3access.iowa.gov/XIR3/InfoViewApp/logon.jsp>
11. Questions relating to IET's should be addressed to DAS-SAE-Daily Processing. Questions relating to PRCI's should be addressed to DAS-CPE at (515) 281-3069.