ADOA – General Accounting Office

QUICK REFERENCE GUIDE: PROCESS INTERNAL TRANSFERS

AZ360

PROCESS INTERNAL TRANSFERS
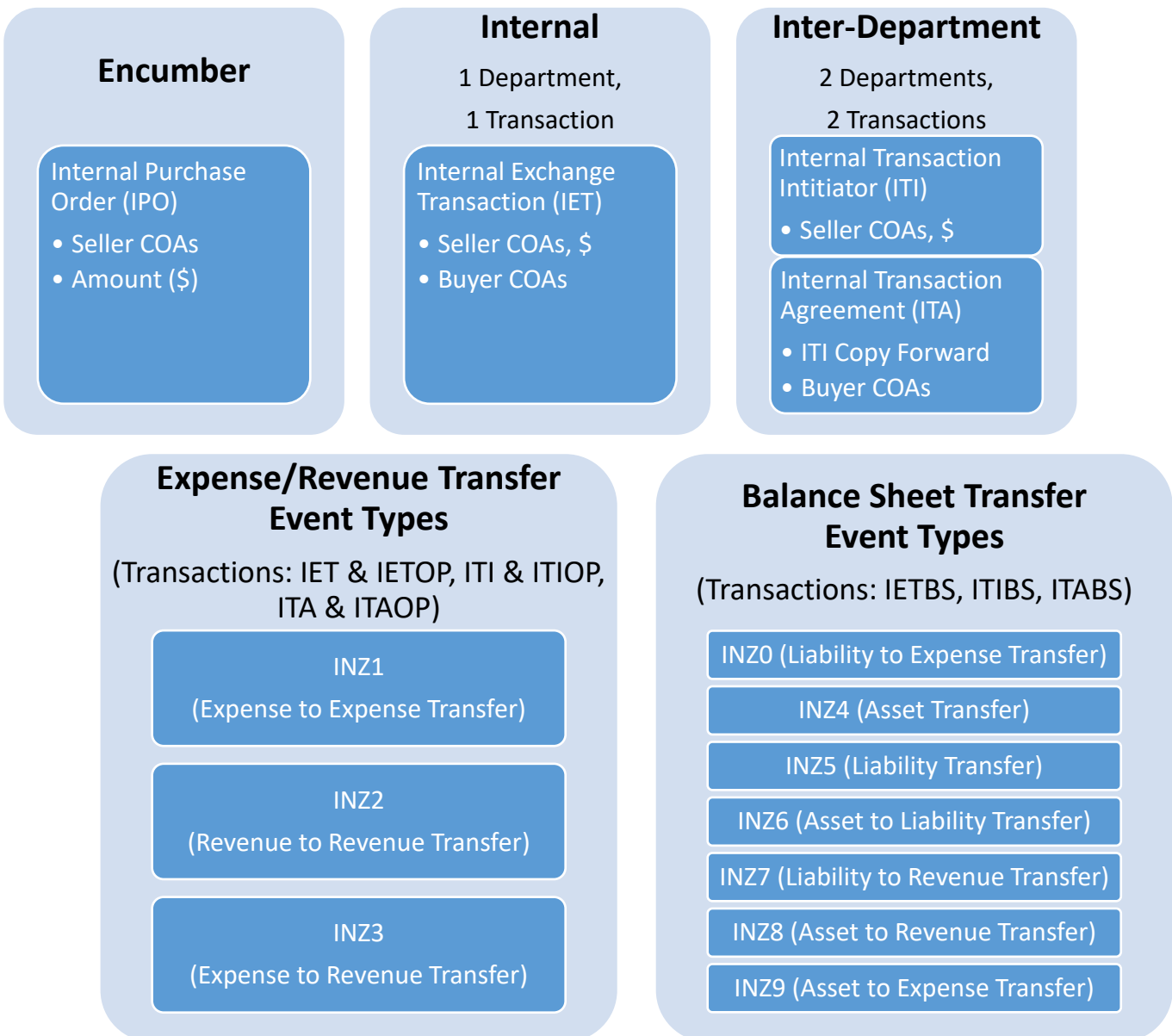
Table of Contents

PROCESS INTERNAL TRANSFERS

Overview

AZ360 allows for processing internal accounting transactions that take place between state departments and within state departments. When a transaction takes place between departments, it is called an inter-agency transaction. When a transaction takes place within a department, it is called an intra-agency transaction. Use internal transfer transactions to:

- Transfer, reimburse, adjust, or correct balances by moving expense, revenue, or balance sheet funds.

- Record internal transfers between state agencies, often in the form of expense or revenue with cash offsets.

Encumber

Internal Purchase Order (IPO)
- Seller COAs
- Amount ($)

Internal

1 Department,

1 Transaction

Internal Exchange Transaction (IET)
- Seller COAs, $
- Buyer COAs

Inter-Department

2 Departments,

2 Transactions

Internal Transaction Intitiator (ITI)
- Seller COAs, $

Internal Transaction Agreement (ITA)
- ITI Copy Forward
- Buyer COAs

Expense/Revenue Transfer Event Types

(Transactions: IET & IETOP, ITI & ITIOP, ITA & ITAOP)

INZ1
(Expense to Expense Transfer)

INZ2
(Revenue to Revenue Transfer)

INZ3
(Expense to Revenue Transfer)

Balance Sheet Transfer Event Types

(Transactions: IETBS, ITIBS, ITABS)

INZ0 (Liability to Expense Transfer)

INZ4 (Asset Transfer)

INZ5 (Liability Transfer)

INZ6 (Asset to Liability Transfer)

INZ7 (Liability to Revenue Transfer)

INZ8 (Asset to Revenue Transfer)

INZ9 (Asset to Expense Transfer)

Process an Internal Purchase Order

Use an Internal Purchase Order (IPO) transaction to establish an internal encumbrance for the buyer department's appropriations. A request is received by the department's end user for the creation of an internal encumbrance. The request may be related to an internal service agreement or some other type of agreement with another department that impacts appropriated funds requiring an encumbrance. The department creates an IPO transaction that encumbers monies and the Chart of Accounts information is entered on the IPO transaction.

Procedure

Log in to the AZ360 **Home Page**. Create a new IPO transaction.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *IPO*.

4. In the drop-down menu that generates, select **IPO Internal Purchase Order**. The IPO Financial Transaction page will generate.

5. Click the **Create** button.

6. In the **Transaction Department** field, enter the user's department 3-digit code.

7. Select **Auto Numbering** check box.

8. Click **Continue**.

9. A new IPO transaction will generate and opens to the Header tab. Note that the transaction is in **Draft**, the **Version** number is **1**, the **Function** is **New** and the **Status** is **Held**.

Complete the **Header** tab of the transaction.

1. At a minimum, in the **General Information** section, enter *Record an internal encumbrance on funds i*n the **Transaction Description** field.

2. Click on the **Vendor** tab.

Complete the **Vendor** tab of the transaction.

1. In the **Tab Level Actions** section, click the "**+**" icon to add a Vendor line. Do not enter any vendor information.

Note: A new line must be entered on the Vendor tab to allow the user to add corresponding Accounting lines. No vendor information is needed in this step so all values are left blank.

2. Click on the **Accounting** tab.

Complete the **Accounting** tab of the transaction.

1. In the **Tab Level Actions** section, click the "**+**" icon to add an Accounting line.

2. On the Accounting line:

   a. In the **Line Amount** field, enter an amount over $5,000.

Note: IPO transactions are required for any inter-agency purchases over $5,000. Some agencies require IPOs for under $5,000 purchases as well.

   b. In the **Department** field, enter the user's department 3-digit code.

   c. In the **Function** field, enter the user's department function number.

   d. In the **Object** field, enter the user's department object number.

3. Click **Validate**. Notice how the **Fund**, **Appropriation Unit**, **Unit**, and **Task** fields have populated with values inferred from the Function.

4. Click the **Expand** caret on the Accounting line.

5. In the **General Information** section, in the **Event Type** field, select **PR06** the pick list.

Validate and submit the transaction for approval.

1. Click **Validate** to check for errors. If any errors exist, fix the errors and click **Validate** again. If the validation is successful, the following message is displayed: **Transaction validated successfully**.

2. Click **Submit** to submit the transaction for approval. If submission is successful, the following message is displayed: **Transaction submitted successfully - Pending Approval**.

Note: The transaction must be approved at the agency level in order to proceed to Final.

3. Click **Close.**

4. Click **Home** icon to return to the home page.

Research Internal Purchase Order

The IPO transactions update several inquiry tables. One that will be most commonly used is the Accounting Journal. The steps to find the status of the transfer are shown below.

Log in to the AZ360 **Home Page**. Navigate to the JACTG.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *JACTG*.

4. In the drop-down menu that generates, select **JACTG Accounting Journal**. The JACTG search page will generate.

Search for the IPO transaction.

1. In the **Transaction Dept** field, enter the user's department 3-digit code.

2. In the **Transaction Code** field, enter *IPO*.

3. In the **Transaction ID** field, enter the transaction ID for the IPO being researched. If the transaction ID is not known, users can limit their results by completing additional COA fields such as Fund or Appropriation Unit.

4. Click **Apply**.

Observe the transaction information in the JACTG.

5. Locate the desired IPO in the grid at the bottom of the screen. Notice that there is a dedicated line for the debit and credit component of the transaction.

6. Click the **Expand** caret on either the Debit or Credit lines to view more information.

7. Click **Home** icon to return to the home page.

Process an Internal Exchange Transaction (IET)

Use the Internal Exchange Transaction (IET) transaction to record both intra-agency fund transfers in a single transaction. The expectation is that the COA and posting information for all parties are known by the creator of the IET transaction. An IET transaction can reference and either partially or fully liquidates an IPO transaction.

Procedure

Log in to the AZ360 **Home Page**. Create an IET transaction.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *IET*.

4. In the drop down menu that generates, select **IET Internal Exchange Transaction**. The IET Financial Transaction page will generate.

5. Click **Create**.

6. In the **Transaction Dept** field, enter the user's department 3-digit code.

7. Select **Auto Numbering** check box.

8. Click **Continue**. A new IET transaction opens.

Complete the **Header** tab of the transaction.

1. In the **General Information** section:

    a. In the **Transaction Description** field, enter *Record an internal transfer of funds*.

    b. In the **Initiator** field, ensure **Provider/Seller** is selected from the drop-down menu (this is the default value).

2. Click the **Exchange Details** tab.

Complete the **Exchange Details** tab of the transaction.

1. In the **Tab Level Actions** section, click the "**+**" icon to add an Exchange Details line.

2. On the Exchange Details line:

    a. In the **Line Amount** field, enter the amount of the internal transfer.

    b. In the **Department** field, enter the user's department 3-digit code.

     c.   In the **Function** field, enter the user's department function number.

     d.   In the **Fund** field, enter the user's department fund number.

     e.   In the **Appr Unit** field, enter the user's department appropriation unit number.

     f.   In the **Unit** field, enter the user's department unit number.

     g.   In the **Object** field, enter the user's department object number.

     h.   In the **Task** field, enter the user's department task number.

3.   Click the **Expand** caret on the Exchange Details line.

4.   In the **General Information** section, in the **Event Type** field, select **INZ1** from the pick list.

5.   Click the **2nd Party Accounting** tab.

Complete the **2nd Party Accounting** tab of the transaction.

1.   In the **Tab Level Actions** section, click the "**+**" icon to add a 2nd Party Accounting line.

2.   On the 2nd Party Accounting line:

     a.   In the **Line Amount** field, enter the amount of the internal transfer.

     b.   In the **Department** field, enter the user's department 3-digit code.

     c.   In the **Function** field, enter the user's department function number.

     d.   In the **Fund** field, enter the user's department fund number.

     e.   In the **Appr Unit** field, enter the user's department appropriation unit number.

     f.   In the **Unit** field, enter the user's department unit number.

     g.   In the **Object** field, enter the user's department object number.

     h.   In the **Task** field, enter the user's department task number.

Validate and submit the transaction for approval.

1.   Click **Validate** to check for errors. If any errors exist, fix the errors and click **Validate** again. If the validation is successful, the following message is displayed in the upper left corner of the screen: **Transaction validated successfully.**

2. Click **Submit** to submit the transaction for approval. If submission is successful, the following message is displayed in the upper left corner of the screen: **Transaction submitted successfully – Pending Approval.**

Note: The transaction must be approved at the agency level in order to proceed to Final.

3. Click **Close.**

4. Click **Home** in the Primary Navigation Panel to return to the Home Page.

Note: The transaction is handled through workflow and will be pending the Department Approver.

Research Internal Exchange Transactions

The IET transactions update several inquiry tables. One that will be most commonly used is the Accounting Journal. The steps to find the status of the transfer are shown below.

Log in to the AZ360 **Home Page**. Navigate to the JACTG.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *JACTG*.

4. In the drop-down menu that generates, select **JACTG Accounting Journal**. The JACTG search page will generate.

Search for the IET transaction.

5. In the **Transaction Dept** field, enter the user's department 3-digit code.

6. In the **Transaction Code** field, enter *IET*.

7. In the **Transaction ID** field, enter the transaction ID for the IET being researched. If the transaction ID is not known, users can limit their results by completing additional COA fields such as Fund or Appropriation Unit.

8. Click **Apply**.

Observe the transaction information in the JACTG.

1. Locate the desired IET in the grid at the bottom of the screen. Notice that there is a dedicated line for the debit and credit component of the transaction.

2. Click the **Expand** caret on either the Debit or Credit lines to view more information.

3. Click **Home** icon to return to the home page.

Process Inter-Agency Transfers

A transfer of funds between agencies when the buyer and seller sides are to be processed by separate parties can begin with or without the creation of an encumbrance transaction. If no encumbrance is needed, the process begins with the creation of an Internal Transaction Initiator (ITI) transaction that is then copied forward to an Internal Transaction Agreement (ITA) transaction. When recording an inter-agency transaction, one department is the buyer (Party 1) and another department is the seller (Party 2). The first department (Party 1) creates an ITI transaction referencing an IPO. The ITI is followed by the creation of an ITA transaction that allows the second department (Party 2) to view and accept the amount billed/paid and enter the COA elements and amount being transferred.

If an IPO is created, it can be used as a reference transaction for an inter-agency transfer expenditure. If the transaction involves appropriated funds and is for an amount greater than or equal to $5000, the transaction requires the submission and approval of an IPO transaction. The IPO is used to establish in internal encumbrance for the buyer department's appropriations.

Initiate Agency Activity

Party 1 creates an ITI transaction.

Log in to the AZ360 **Home Page**. Create an ITI transaction.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *ITI*.

4. In the drop down menu that generates, select **ITI Internal Transaction Initiator**. The ITI Financial Transaction page will generate.

5. Click the **Create** button.

6. In the **Transaction Dept** field, enter the department 3-digit code for the 1st Party responsible for the ITI transaction.

7. Select **Auto Numbering** check box.

8. Click **Continue**. A new ITI transaction opens.

Complete the **Header** tab of the transaction.

1. In the **General Information** section:

   a. In the **Transaction Description** field, enter a reason for the transfer.

   b. In the **Initiator** field, select a value dependent on the criteria.

i. Select **Provider/Seller** if the agency is *providing service* or *requesting funds*.

ii. Select **Receiver/Buyer** if the agency is *receiving service* or *sending funds*.

2. Click on the **Accounting** tab.

Complete the **Accounting** tab of the transaction.

1. On the Accounting line:

   a. In the **Line Amount** field, enter the amount of the transfer.

   b. In the **Department** field, enter the department 3-digit code for the 1st Party responsible for the ITI transaction.

   c. In the **Function** field, enter the 1st Party's department function number.

   d. In the **Revenue** field, enter the 1st Party's department revenue number.

2. Click the **Expand** caret on the Accounting line.

3. In the **General Information** section, in the **Event Type** field, select **INZ3** from the pick list.

Validate and submit the transaction for approval.

1. Click **Validate** to check for errors. If any errors exist, fix the errors and click **Validate** again. If the validation is successful, the following message is displayed in the upper left corner of the screen: **Transaction validated successfully.**

2. Click **Submit** to submit the transaction for approval. If submission is successful, the following message is displayed in the upper left corner of the screen: **Transaction submitted successfully – Pending Approval.**

3. Click **Close.**

4. Click **Home** in the Primary Navigation Panel to return to the Home Page.

Note: The transaction is handled through workflow and will be pending the Department Approver.

ITI Approver Agency Activity

Log in to the AZ360 **Home Page**. Search for and open an ITI transaction in phase Final status.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *ITI*.

4. In the drop-down menu that generates, select **ITI Internal Transaction Initiator**. The ITI Financial Transaction page will generate.

5. In the **Dept** field, enter the department 3-digit code for the 1st Party responsible for the ITI transaction.

6. In the **ID** field, enter the transaction ID for the ITI transaction being copied forward.

7. Click **Search**.

8. The ITI transaction will generate in the grid at the bottom of the screen. Click the **ID** link. The ITI transaction will open.

Create the ITA transaction using the Copy Forward feature from the ITI.

1. Click the **Page 3-dot** menu, select **Copy Forward** from Primary Actions.

2. On the **Copy Forward** screen, in the **Transaction Dept** field, enter the department 3-digit code for the 2nd Party responsible for the ITA transaction.

3. Check the **Auto Numbering** check box.

4. Click **OK**.

5. A new ITA transaction will generate and opens to the Header tab. Note that the transaction is in **Draft**, the **Version** number is **1**, the **Function** is **New** and the **Status** is **Held**.

6. Click **Save & Close**. This leaves the ITA transaction in Draft phase. The 1st Party responsible for the ITI transaction is now finished and it is up to the 2nd Party responsible for the ITA transaction to approve the ITA that is in their worklist queue in Draft phase.

Note: The Line Amount field will be listed as $0.00. It is up to the ITA agency/party providing the funds to fill in the value of the Line Amount field on the Initiator Reference tab.

7. Click **Home** icon to return to the home page.

Agreement Agency Activity

Log in to the AZ360 **Home Page**. Locate the ITA.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *ITA*.

4. In the drop-down menu that generates, select **ITA Internal Transaction Agreement**. The ITA Financial Transaction page will generate.

5. In the **Dept** field, enter the department 3-digit code for the 1st Party responsible for the ITI transaction.

6. In the **Status** field, select Held from the pick list.

7. Click **Search**.

8. The ITA transaction will generate in the grid at the bottom of the screen. Click the **ID** link. The ITA transaction will open.

Select the page's **Edit** button and complete the **2nd Party Account** tab.

1. Enter the appropriate information in the following fields:

   a. **Line Amount**

   b. **Department**

   c. **Fund –** If not inferred from the function.

   d. **Unit –** If not inferred from the function.

   e. **Appr Unit –** If not inferred from the function.

   f. **Object –** If applicable.

   g. **Revenue –** If applicable.

   h. **Function**

   i. **Task –** If not inferred from the function (located in the **COA** tab).

2. On the **General Information** section, at a minimum, *ensure the ITA's event type matches the ITI's event type*.

3. On the **Reference** section, at a minimum, enter the IPO information (if needed).

Validate ITA transaction.

1. Confirm that the transaction validated successfully in the upper left-hand corner. If it did not, see the accounting supervisor.

Submit ITA transaction.

Note: The transaction will be handled through workflow and will be pending the Department Approver.

Research Inter-Departmental Transfer Transactions

The ITI and ITA transactions update several inquiry tables. One that will be most commonly used is the Accounting Journal. The steps to find the status of the transfer are below.

Log in to the AZ360 **Home Page**. Navigate to the JACTG.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *JACTG*.

4. In the drop-down menu that generates, select **JACTG Accounting Journal**. The JACTG search page will generate.

Search for the ITI or ITA transaction.

1. In the **Transaction Dept** field, enter the user's department 3-digit code.

2. In the **Transaction Code** field, enter *ITI* or *ITA*.

3. In the **Transaction ID** field, enter the transaction ID for the ITI or ITA being researched. If the transaction ID is not known, users can limit their results by completing additional COA fields such as Fund or Appropriation Unit.

4. Click **Apply**.

Observe the transaction information in the JACTG.