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BCC: **Wave 1 Fiscal Officers, Wave 2 Primary Contacts, Fiscal Officers and GL SMEs;**  
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Leadership Team Distribution List, GLO  
SUBJ: **In-flight IATs and Agency to Agency Transactions**  
DATE: January 5, 2016

As you know, the Wave 2 implementation of Cardinal will be occurring on February 1, 2016. With this implementation, the remaining State agencies will begin using Cardinal.

To facilitate the implementation of Cardinal and the interfacing of accounting transactions to CARS, agencies will no longer be using Interagency Transfers (IATs) to process expenditure, revenue and federal cash pass thru transactions. **Expenditure, revenue and federal cash pass thru** transactions between State agencies, previously processed on an IAT, will now be handled through the vendor payment process via EDI. In preparation for this change, all State agencies are now established in the Vendor Tables as EDI vendors.

The CARS cut off for processing IATs by Wave 2 agencies is Tuesday, January 26 unless an exception is granted by Department of Accounts – General Accounting. Any in-flight IAT that is not processed in January will need to be handled in Cardinal using the new Agency to Agency process as a February transaction.

The processes affected with the Cardinal implementation are detailed below. Please see CAPP – Cardinal Topics 20405, *Inter-Agency Transactions*, and 20410, *Intra-Agency Transactions*, for more information.

- Payments to all other state agencies for an expenditure, revenue or federal cash pass thru will be processed in the Accounts Payable module, using the agency-specific Cardinal Vendor ID provided in the Vendor Table.
- Receipts from other state agencies will be processed in the Accounts Receivable-Funds Receipt module. Agencies that receive EDI payments are required to prepare and submit Deposit Certificates.
- For transactions involving other general ledger accounts (such as Transfers), agencies will now submit a journal entry to DOA to be uploaded and posted into Cardinal. (Topic 20405 will be revised by DOA to remove Cardinal Phase In information).
- Requests for refunds or payment of additional charges for the Health Insurance Fund will be accomplished using the GL Journal Spreadsheet. CAPP – Cardinal Topic 20405 will be updated with additional processing information. DOA will prepare GL Journals in Cardinal for the following:
  - ✓ Healthcare Auto Recon IATs
  - ✓ VRS Reconciliation IATs

DGS will prepare GL Journals in Cardinal for the following:

- ✓ DGS Parking IATs

## **EDI Receipts**

The EDI settlement date and trace number will be included in the EDI Remittance data that is available on the REDI Virginia website.

Agencies may receive an E-mail Alert from the REDI Virginia website one day prior to interagency payments being deposited into their account. The remittance detail is available on the website that day. Agencies must register the EDI account on the website and select the E-mail Alert option. Instructions are in the “REDI Virginia Procedure Guide” which is available on the EDI page of the Department of Accounts’ website at [www.doa.virginia.gov](http://www.doa.virginia.gov).

Questions regarding any of these processing or policy changes can be directed to Melinda L. Pearson, Director of General Accounting, via email at [melinda.pearson@doa.virginia.gov](mailto:melinda.pearson@doa.virginia.gov) or at (804) 225-2376.

If you need additional assistance with the EDI process, please contact the Department of Accounts’ eCommerce Unit at (804) 692-0473 or [edi@doa.virginia.gov](mailto:edi@doa.virginia.gov).