

**8A.123 Department internal service funds.**

1. Activities of the department shall be accounted for within the general fund of the state, except that the director may establish and maintain internal service funds, in accordance with generally accepted accounting principles, for activities of the department which are primarily funded from billings to governmental entities for services rendered by the department. The establishment of an internal service fund is subject to the approval of the director of the department of management and the concurrence of the auditor of state. At least ninety days prior to the establishment of an internal service fund pursuant to [this section](#), the director shall notify in writing the general assembly, including the legislative council, legislative fiscal committee, and the legislative services agency.

2. Internal service funds shall be administered by the department and shall consist of moneys collected by the department from billings issued in accordance with [section 8A.125](#) and any other moneys obtained or accepted by the department, including but not limited to gifts, loans, donations, grants, and contributions, which are designated to support the activities of the individual internal service funds.

3. The proceeds of an internal service fund established pursuant to [this section](#) shall be used by the department for the operations of the department consistent with [this chapter](#). The director may appoint the personnel necessary to ensure the efficient provision of services funded pursuant to an internal service fund established under [this section](#). However, this usage requirement shall not limit or restrict the department from using proceeds from gifts, loans, donations, grants, and contributions in conformance with any conditions, directions, limitations, or instructions attached or related thereto.

4. [Section 8.33](#) does not apply to any moneys in internal service funds established pursuant to [this section](#). Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in these funds shall be credited to these funds.

[2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §13; 2009 Acts, ch 170, §47, 50; 2012 Acts, ch 1021, §128; 2014 Acts, ch 1036, §5; 2021 Acts, ch 51, §3; 2024 Acts, ch 1185, §90](#)

Referred to in [§8A.126](#)