

## REPORTING INTERNAL SALES

November 14, 2002

	Sales by...	Definition	Treatment per GASB	Treatment on COFRS
1	Internal Service Units	Self-funded units whose purpose is to provide goods/services to other departments.	Must be eliminated for financial statement purposes.	Record in COFRS Fund 328 as revenue (31) and expense (22).
2	Internal Service Units that <u>are also</u> Auxiliary Units Designated as TABOR Enterprises	Self-funded units whose purpose is to provide goods/services to other departments and that are designated as TABOR auxiliary enterprises.	Must be eliminated for financial statement purposes.	Record in COFRS Fund 320 during the year and eliminate activity at year-end in Fund 399 using COFRS Accounting Model YE10.
3	NACUBO Auxiliary units that are not Internal Service Units (regardless of TABOR status)	Auxiliary units whose purpose is to provide goods/services to students, faculty and staff, and who may occasionally provide goods/services to other departments.	Need not be eliminated for financial statement purposes but may optionally be eliminated.	Record in appropriate COFRS fund and eliminate material activity, minimally at year-end in Fund 399.
4	Other Internal Sales	Units whose purpose is other than to provide goods/services to other departments but who perform miscellaneous transactions of providing goods or services to other departments.	Need not be eliminated for financial statement purposes but may optionally be eliminated.	Record in appropriate COFRS fund and eliminate material activity, minimally at year-end.

Since the above applies to financial reporting, as opposed to TABOR reporting, sales to other state departments and higher education institutions are not considered internal sales.