REPORTING INTERNAL SALES
Updated March 18, 2011

	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	Must be eliminated see *COFRS Accounting Model YE10 or YE10X.*
2.	Internal Service Units that are also 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 . See *COFRS Accounting Model YE10 or YE10X.*
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.	If material, internal sales should be eliminated. If the internal activity is ongoing and material, perhaps this activity should be considered an internal service unit. See guidance above.	Record in COFRS Fund 305/320 during the year and eliminate material activity, minimally, at year-end in fund 399 . See *COFRS Accounting Model YE10 or YE10X.*
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.	If material, internal sales should be eliminated. If immaterial, it may be optionally eliminated for Financial Statement purposes.	Record in COFRS Fund 305/320 during the year and eliminate material activity, minimally, at year-end in fund 399 . See *COFRS Accounting Model YE10 or YE10X.*

Note: Since the above applies to financial reporting, as opposed to TABOR reporting,
Sales to other state departments and higher education institutions are <u>not</u> considered internal sales.