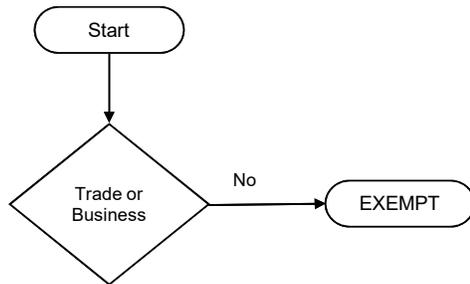


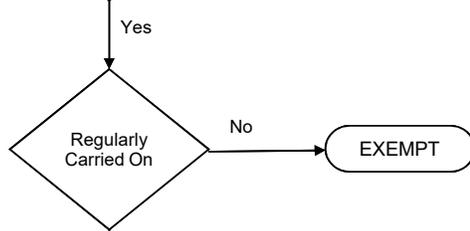
Identifying Unrelated Business Income

I. GENERAL

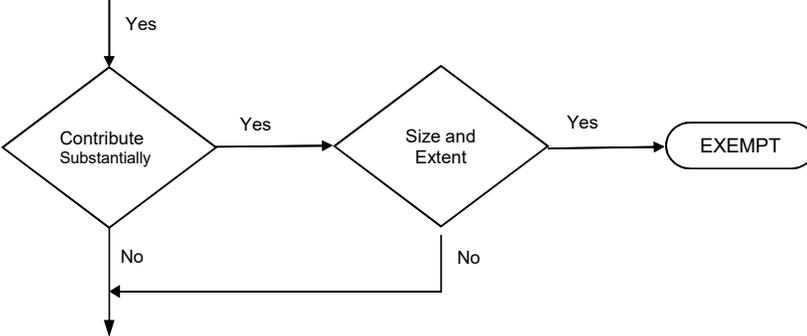
Does the activity generate income from the sale of goods or the performance of services?



Is the activity regularly scheduled and frequently carried on?



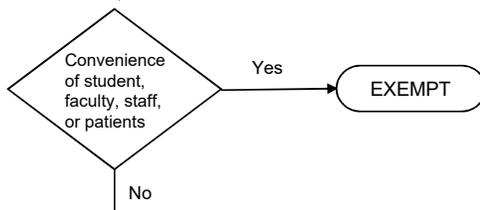
Does the activity contribute substantially to the instructional or research purpose of the University, not merely generate income? (e.g., students perform substantially all the work as part of an educational curriculum)



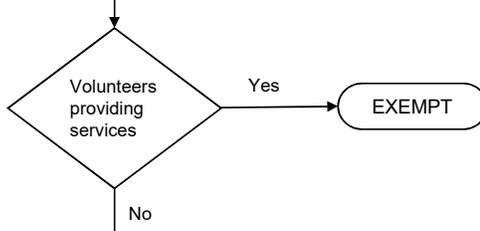
If so, is the activity operated to an extent no larger than necessary to accomplish the instructional or research purpose?

II. STATUTORY EXCEPTIONS

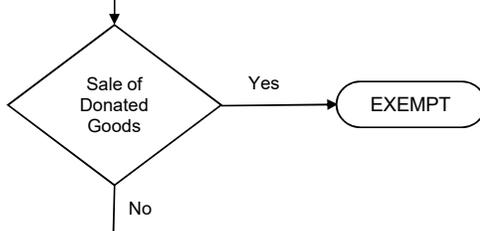
Does the activity exist primarily for the convenience of the University's students, faculty, staff or patients?



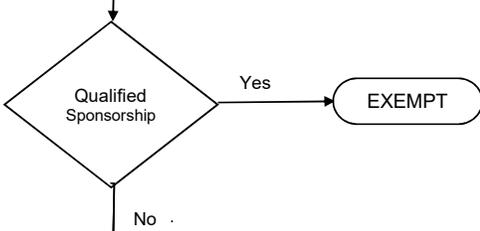
Do unpaid volunteers perform substantially all the income generating services (audit practice often looks for 85% or more volunteer hours)?



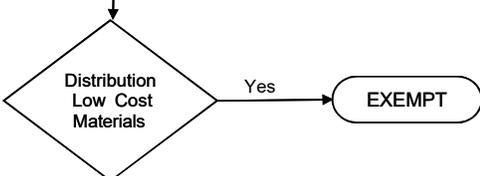
Does the activity generate income from the sale of donated goods? If so, does the sale of donated goods represent over 85% of the total income earned by the activity?



Does the activity generate income from the receipt of qualified sponsorship payments?



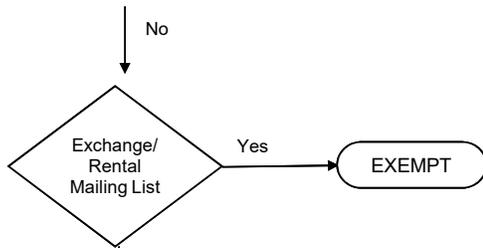
Does the activity generate income from the receipt of contributions associated with the distribution of low cost materials?



Identifying Unrelated Business Income

(CONTINUED)

Does the activity generate income from the exchange or rental of mailing list with another tax exempt organization?



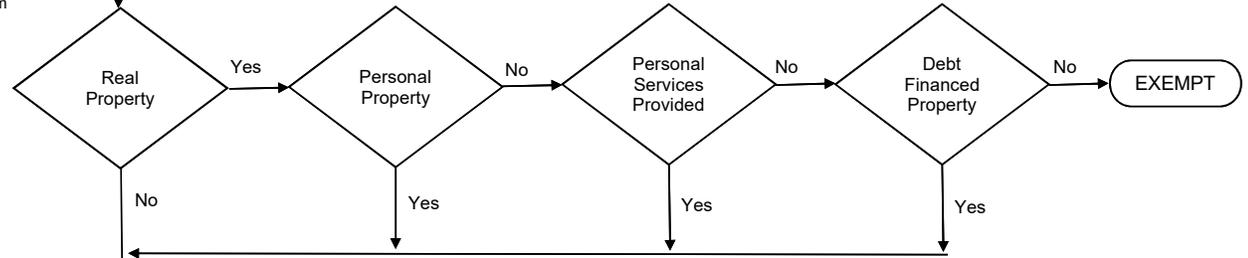
III. MODIFICATIONS TO INCOME

Does the activity generate income from the rental of real property?

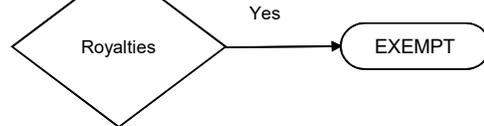
If so, is personal property rented in combination with the real property rental?

Are personal services provided in combination with the real property rental?

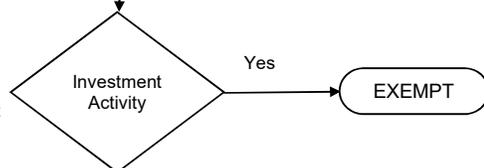
Is the real property being rented debt financed? If so, is the occupancy by external tenants greater than 15% of the total space?



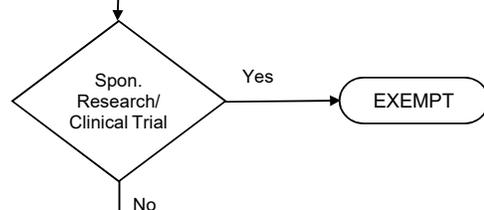
Does the activity generate income from royalties?



Does the activity generate investment income such as dividends, interest, etc or gain/losses from the sale of investment property?



Does the activity generate income from basic fundamental research (not ordinary testing)? For hospitals and Academic Medical Centers, does activity contribute importantly to patient care or medical training?



The income generated by the activity may be taxable.

May be Reportable