Identifying Unrelated Business Income

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

Yes
Is the activity regularly scheduled and frequently carried on?

Yes
Does the activity contribute substantially to the instructional or research purpose of the University?

Yes
If so, is the related activity carried on to a size and extent larger than necessary to accomplish the exempt purpose?

No

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

No
Do unpaid volunteers provide the income generating services? If so, do the volunteers generate over 85% of the total income earned by the activity?

No
Do University students provide the income generating services as part of an educational curriculum? If so, do the students generate over 50% of the total income earned by the activity?

No
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?

No
Does the activity generate income from the receipt of qualified sponsorship payments?
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Does the activity generate income from the receipt of contributions associated with the distribution of low cost materials?

Yes → EXEMPT
No →

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

Yes → EXEMPT
No →

III. MODIFICATIONS TO INCOME

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

Yes →
No →

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

Yes →
No →

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

Yes →
No →

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

Yes →
No →

Does the activity generate income from royalties?

Yes → EXEMPT
No →

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

Yes → EXEMPT
No →

Does the activity generate income from sponsored research or clinical trials (involving medical training or patient care)?

Yes → EXEMPT
No →

The income generated by the activity may be taxable.

May be Reportable