

**IDAHO STATE UNIVERSITY
CONTROLLER'S OFFICE**

**Questionnaire to Determine Compliance with
*Internal Revenue Service Requirements on Unrelated Business Income Tax***

Idaho State University is required to annually file a consolidated Exempt Organization Business Income Tax Return (FORM 990-T) with the Internal Revenue Service. To accomplish this requirement, it is necessary that this questionnaire be completed on all existing or new revenue producing accounts in order to determine the potential for generating unrelated business income.

Each section of the questionnaire is to be completed for the activity. Please return the questionnaire to the Controller's Office or call 236-3009 if you have questions. Please advise the Controller's Office of any subsequent changes in the activity so a determination can be made on a possible change of status. This questionnaire may be used for any audits conducted by the IRS.

DEPARTMENT _____

ACCOUNT NAME _____

ACCOUNT # _____ DATE PREPARED _____

ACCOUNT DIRECTOR SIGNATURE _____

UBO SIGNATURE _____

PREPARED BY _____ PHONE _____

FOR CONTROLLER'S OFFICE USE ONLY

PRIOR FY REVENUE _____ FOR FY _____

REVIEWED BY _____

DATE _____ DATE REVISED _____

OVERALL DETERMINATION:

UBIT: UNRELATED EXEMPT
SALES TAX: TAXABLE EXEMPT

MEMO: Does this activity appear to be in direct competition with the private sector? YES NO

GENERAL

A. Trade or Business

1. Is the activity generating revenue, refunds, or reimbursements from the sale of goods (including textbooks), admissions, or the performance of services? Yes No

2. Who are the purchasers of the goods or services? Please be specific. _____

3. Fully describe the activity performed by the operating unit. Please include a description of the goods or services and the reason (s) for offering these goods or services for sale. _____

B. Regularly Carried On

1. Is the activity conducted on a “regular” (i.e., year-round, seasonal, etc.) basis? Yes No

2. If yes, indicate the frequency with which the activity is performed. _____

3. Is the activity conducted on an infrequent, casual or sporadic basis? Yes No

4. If yes, explain why the activity is not conducted on a regular basis? _____

C. Related to the University’s Exempt Purpose

1. Does the activity have a “substantial” relationship to the accomplishment of the University’s educational or research exempt purpose? Yes No

2. If yes, explain how the activity enhances, furthers, or in any way relates to the exempt purposes of the University.

3. Are students participating in the activity as part of a learning experience? Yes No

4. If yes, do students earn credit toward a degree? Yes No

5. If yes, explain the instructional nature of the duties and tasks assigned to the students.

6. Does faculty or staff participation assist in the overall accomplishment of the exempt purposes of the University? Yes No

7. If yes, explain how.

STATUTORY EXCEPTIONS

C. Volunteer Labor

1. Are unpaid volunteers (students or non-students) participating in the revenue generating activity?
 Yes No

2. If yes, describe the duties or tasks assigned to the volunteers and indicate the percentage of total effort attributable to the volunteer activity. Percentage _____

D. Convenience of University Members

1. Is the activity performed for the convenience of University students, faculty, staff? Yes No

2. Indicate the percentage of total revenues attributable to each group of users:

<i>Users</i>	<i>Percentage</i>
University students.....	_____
University faculty/staff employees.....	_____
University alumni.....	_____
General public.....	_____
Other (specify) <i>Business and Community</i>	_____
<i>Total</i>	<u>100%</u>

3. Is the activity conducted in a remote location which is relatively inaccessible to the general public?
 Yes No

4. If yes, please explain. _____

E. Donated Merchandise

- 1. Does the activity involve the sale of donated goods? Yes No
- 2. If yes, indicate the percentage of total revenue attributable to the sale of donated articles.
Percentage _____

MODIFICATION TO INCOME

A. Royalties and Commissions

- 1. Does the activity generate revenue from royalties, i.e. does the activity generate income from licensing a non-university person or entity to market property belonging to the University? Yes No
- 2. If yes, describe the property being sold, the basis for determining the royalty payment (e.g., production, gross income, net profits, etc.), and the non-university person or entity licensed to sell the property. _____

- 3. Is the royalty income derived in part from the performance of services? Yes No

- 4. If yes, please explain. _____

- 5. Does the activity generate income to the University in the form of commissions or a percentage of income from the sale of a non-university entity's goods or services (e.g. a percentage of sales of outside company's pizza, magazine subscriptions, etc)? Yes No

- 6. If yes, describe the goods or services being sold, the payment arrangement and the non-university person or entity that has licensed the University to market the goods or services.

D. Rents

1. Real Property Rents

- a. Does the activity generate revenue from real property? Yes No
- b. Is the amount of rent based on income or profits derived from the property? Yes
No

- c. If yes, describe the rental arrangement. _____

2. Real and Personal Property Rents

- a. Does the activity generate revenue from a combination of real and personal property? Yes No

b. If yes, indicate the percentage of total rents received attributable to the real and personal property:

<i>Property</i>	<i>Percentage</i>
Real Property.....	_____
Personal Property.....	_____
<i>Total</i>	<u>100%</u>

c. Describe the type of real and personal property rented, the person or group to whom the property is rented, and the purpose for which the property is rented. _____

3. Rendering of Services

a. Does the activity for tenant services in connection with the rental of real property?

Yes No

b. If yes, describe the nature and extent of the service (e.g., maid, food, janitorial, security, etc.) rendered to the tenants, the person or group to whom the property is rented, and the purpose for which the property is rented. _____

4. Debt-financed Property

a. Does the activity unit receive revenue from the rental of debt-financed property (e.g., property acquired through the use of a mortgage or other indebtedness, with a current balance outstanding)? Yes No

b. If yes, describe the:

Debt instrument. _____
 Date of acquisition. _____
 Original amount of debt. _____
 Current balance _____
 Expected date of retirement. _____

c. Indicate the percentage makeup of individuals who occupy the debt-financed property on an annualized basis.

<i>Tenants</i>	<i>Percentage</i>
University students.....	_____
University faculty/staff.....	_____
Other university departments.....	_____
Non-University tenants.....	_____
<i>Total</i>	<u>100%</u>

C. Sponsored Research

1. If research is sponsored by other than a governmental unit, describe the person or entity for whom the work is performed. _____

2. Is the research an investigative activity done to validate a scientific hypothesis in which the University is interested, the results of which are made freely available to the general public? Yes No

3. If yes, briefly describe the intellectual question posed, how these are being explored, and how the results are publicized. _____

4. Does the activity involve the performance of research under a clinical trial or product testing agreement incident to commercial or industrial operations? For example, ordinary testing or inspection of materials or products or designing or construction of equipment, buildings, etc? Yes No

5. If yes, please describe the nature of the research activity. _____

6. Is the research activity directly related to education of students or the role and mission of the University? Yes No

7. If yes, describe. _____

SPECIAL CIRCUMSTANCES

1. Are the goods or services offered technically advanced, unique or unavailable within a reasonable distance? Yes No
2. If yes, please describe the nature of the goods or services and why it is necessary for the University to offer these goods or services for sale. _____

SERVICES

A. Health Center Services Provided

1. Does the activity unit generate revenue from services (i.e. pharmaceutical sales, lab testing, etc.) provided to non-patients? Yes No
2. If yes, describe the nature and extent of the services, as well as the relationship, if any, between the physician(s) and patients (s). _____

3. Does the activity unit generate revenue from services provided as a convenience to office patients of physicians who are not full-time members of the University? Yes No

B. Services to Other Institutions

1. Are services (i.e., data processing, purchasing, warehousing, billing and collection, food, personnel, security, etc.) provided to another tax-exempt entity? Yes No
2. If yes, provide the following information.
 - a. Are the services provided at a fee that does not exceed actual costs? Yes No
 - b. What is the maximum capacity of customers/clients served by the other entity?
 - c. Are the services related to the recipient entity's exempt purpose if performed by the recipient entity on its own behalf? Yes No

3. Are services provided to an entity which is not tax-exempt? Yes No

4. If yes, please identify the recipient institution (s) and the services provided. _____

ADVERTISING

1. Is revenue generated from the sale of commercial advertisements (or underwriting) in a University publication? Yes No

2. Are students participating in the activity as part of a learning experience? Yes No

3. If yes, does this experience earn the students credit toward a degree? Yes No

4. If yes, explain the instructional nature of the duties and tasks assigned to the students.

5. Do the advertisements contribute importantly to the exempt purposes of the publication? Yes No

6. If yes, please explain and attach a copy of the advertisement. _____

7. Are the advertisements sold by:

- a. Students: Yes No
- b. An outside Company? Yes No
- c. Uncompensated volunteers? Yes No

8. Describe the duties of those involved in soliciting advertisements. _____
