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 282-3009 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 _______________________

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 purchases 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:  

<table>
<thead>
<tr>
<th>Users</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University students</td>
<td></td>
</tr>
<tr>
<td>University faculty/staff employees</td>
<td></td>
</tr>
<tr>
<td>University alumni</td>
<td></td>
</tr>
<tr>
<td>General public</td>
<td></td>
</tr>
<tr>
<td>Other (specify) Business and Community</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Property</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property</td>
<td></td>
</tr>
<tr>
<td>Personal Property</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

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 provide 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.

<table>
<thead>
<tr>
<th>Tenants</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University students</td>
<td></td>
</tr>
<tr>
<td>University faculty/staff</td>
<td></td>
</tr>
<tr>
<td>Other university departments</td>
<td></td>
</tr>
<tr>
<td>Non-University tenants</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
C. Sponsored Research

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

______________________________________________

______________________________________________

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______________________________________________