



2021 Unrelated Business Income (UBI) Questionnaire

PURPOSE

The University of Louisville is a tax-exempt organization. However, the University may still be required to pay tax on activities that do not relate to its exempt purpose. Revenue generated from these activities is reported by the University's Tax Department on annual returns filed with the Internal Revenue Service (IRS).

This questionnaire is not intended to discourage or eliminate such activities. Tax Department staff will assist departments with reviewing responses to determine if any exclusions apply or if the activity is in fact taxable.

UNRELATED BUSINESS INCOME DEFINED

An activity is considered "unrelated" by the IRS when it meets **all three** of the following criteria:

1. The activity is a trade or a business.

- If an activity is undertaken with the intent to create profit, it is generally considered a "trade or business."

2. The activity is regularly carried on.

- An activity is "regularly carried on" if it is performed with the same frequency and continuity comparable to similar commercial (i.e., "for profit") businesses.

3. The activity is not substantially related to the exempt purpose of the organization.

- The University's exempt purpose derives from its mission of education, research, and community development. See <https://louisville.edu/about/> (<https://louisville.edu/about/>) to learn more about the University's mission. Activities that do not advance this mission may not be substantially related to the University's exempt purpose.

Additional information on the unrelated business income tax can be found on the Tax Department's website at <http://louisville.edu/finance/controller/tax/ubit> (<http://louisville.edu/finance/controller/tax/ubit>) or by contacting the Tax Department at taxdept@louisville.edu (<mailto:taxdept@louisville.edu>).

👉 **Note: All questions pertain to the previous fiscal year (July 1, 2020 - June 30, 2021) as well as any activities conducted or anticipated in the current fiscal year (July 1, 2021 - June 30, 2022).**

* Required

1. Name of your Department *

Advertising

Advertising includes any endorsement of a third party's products or services or an inducement to use, sell, or purchase a third party's products or services. Examples include ads in printed publications, websites, university buildings/facilities, TV/radio, etc.

Advertising also includes revenue received from referrals of third-party services or messages that contain price information regarding a third party's products.

2. Has your department received income from advertising? *

Yes

No

Advertising - Additional data

3. Types of advertising revenue received: *

- Printed publications
 - Other printed materials
 - Websites
 - TV/Radio broadcasting
 - Referrals
 -
- Other

4. Please provide any applicable Program Codes (Speedtypes) where advertising revenue is booked during the current or previous fiscal year: *

5. Please provide the frequency of the revenue (e.g., monthly, annually, one-time payment, etc.): *

6. Please provide the general source(s) of advertising revenue (e.g., outside companies, other universities, etc.): *

7. Please provide any additional comments you may have regarding revenue from advertising:

Sponsorships

A sponsorship is financial or other support provided by an outside party. Sponsorships are usually provided to conduct an event or provide financing for a purchase.

Examples include revenue received for placing a sponsor's name or other information about a sponsor in a concert program or on a website that promotes a fundraising event. Sponsorships also include placing a sponsor's name on University facilities, such as a building, banner or scoreboard.

8. Has your department received income from sponsorships? *

Yes

No

Sponsorships - Additional data

9. Types of sponsorship revenue received: *

- Printed publications
 - Events (conferences, fundraisers, etc.)
 - Websites
 - Facilities (naming rights, etc.)
 - Banners, billboards, etc.
 - Scoreboard
 - TV/Radio broadcasting
 -
- Other

10. Please provide any applicable Program Codes (Speedtypes) where sponsorship revenue is booked during the current or previous fiscal year: *

11. Please provide the frequency of the revenue (e.g., monthly, annually, one-time payment, etc.): *

12. Please provide the general source(s) of sponsorship revenue (e.g., outside companies, other universities, etc.): *

13. Please provide any additional comments you may have regarding revenue from sponsorships:

Rents

Revenue received from the leasing or licensing of University facilities, laboratory space and lab equipment, recreation centers, athletic facilities, telecommunication lines or towers, and other miscellaneous equipment may be subject to tax. If your department receives revenue from these activities it is advisable to review these agreements with Tax Department staff.

14. Does your department receive income from rents, leases, or licensing of facilities or other property? *

Yes

No

Rents - Additional data

15. Types of rents received: *

Facilities (auditorium, classrooms, labs, etc.)

Athletic facilities

Recreation center

Dormitories

Equipment

Vehicles

Telecommunication lines or towers

Other

16. Please provide any applicable Program Codes (Speedtypes) where rent revenue is booked during the current or previous fiscal year: *

17. Please provide the frequency of the revenue (e.g., monthly, annually, one-time payment, etc.): *

18. Please provide the general source(s) of rent revenue (e.g., outside companies, other universities, the general public, etc.): *

19. Please provide any additional comments you may have regarding revenue from rents:

Retail Sales

Retail operations may be considered an unrelated business activity depending on the types of customers and the nature of the items that are sold.

Retail activities typically include selling inventory such as clothing, groceries, swag, or other merchandise from a store, catalog, or via the internet.

20. Has your department received revenue from the sale of goods or merchandise? *

Yes

No

Retail Sales - Additional data

21. Types of activities conducted: *

Store

Catalog (including phone sales)

Website

Other

22. Please provide any applicable Program Codes (Speedtypes) where the retail sales are booked during the current or previous fiscal year: *

23. Please provide the frequency of the revenue (e.g., monthly, annually, one-time payment, etc.): *

24. Please provide the general source(s) of retail sales (e.g., students, University employees, the general public, outside companies, other universities, etc.): *

25. Please provide any additional comments you may have regarding retail sales:

Other Services to Third Parties or to the General Public

Revenue from services rendered to other third-party organizations or to the general public may be subject to tax if such activities are regularly carried on and do not advance the mission of the University.

Examples include (but are not limited to) travel tours, research services to commercial entities, product testing, conference services, operation of a restaurant, catering services, credit card promotions, computer/technology services, consulting, parking lot operations, etc.

26. Has your department received revenue from performing other services that are not related to the University's tax-exempt mission? *

Yes

No

Other Services - Additional data

27. Types of activities conducted: *

- Travel tours
- Sponsored research
- Product testing
- Conference services to companies or to the general public
- Recreational services to companies or the general public
- Catering services
- Operation of a restaurant
- Credit card promotions
- Computer/technology services to companies or general public
- Consulting to companies or the general public
- Parking services to companies or the general public
-

Other

28. Please provide any applicable Program Codes (Speedtypes) where unrelated services are booked during the current or previous fiscal year: *

29. Please provide the frequency of the revenue (e.g., monthly, annually, one-time payment, etc.): *

30. Please provide the general source(s) of revenue from unrelated services (e.g., outside companies, general public, other universities, etc.): *

31. Please provide any additional comments you may have regarding revenue from unrelated services:

Copyrights, Royalties, and Other Revenue from Intangible Property

Revenue received from licensing the University's intangible property (such as copyrights, royalties, patents, broadcast rights, mailing lists, logo usage, etc.) is generally not a taxable activity unless other unrelated services accompany the activity.

These types of agreements are often complex. If your department receives revenue from licensing of intangibles, it is advisable to work with Tax Department staff to review the full agreement in order to identify any tax implications.

32. Has your department received revenue from licensing intangible property? *

Yes

No

Intangible Property - Additional data

33. Types of licensing revenue received: *

Copyrights

Royalties

Patents

Broadcast rights

Mailing lists

Logo usage

Exclusive use

Other

34. Please provide any applicable Program Codes (Speedtypes) where revenue from intangible property is booked during the current or previous fiscal year: *

35. Please provide the frequency of the revenue (e.g., monthly, annually, one-time payment, etc.): *

36. Please provide the general source(s) of revenue from intangible property (e.g., outside companies, general public, other universities, etc.): *

37. Please provide any additional comments you may have regarding revenue from intangible property:

Other Activities Potentially Subject to UBIT

38. Are you aware of any additional activities conducted in your department/division that have the potential to generate unrelated business income? *

Yes

No

Other Activities - Additional data

39. Please describe in detail any activities conducted by your department/division that you believe have the potential to generate income that is unrelated to any exempt purpose of the University: *

Supplemental Question: Out-of-State Sales

This section has been added to comply with recent changes in sales tax law.

Sales of goods or services to customers located in other states may have sales tax implications if sales to customers in those states are substantial.

For this purpose, "substantial sales" are sales to customers in any one state totaling \$100,000 or more per calendar year or comprised of at least 200 separate transactions per calendar year.

Note that these thresholds apply on a per-state basis only. For example, \$100,000 in total annual sales to customers in Indiana (one state only) would be reportable for this purpose. \$100,000 of sales to customers across Indiana, Ohio, and Michigan would not be reportable because these are sales to customers in multiple states.

40. Will your department have substantial sales of any goods, products, devices, books, data, digital media, business services, consulting or other professional services to customers located in another state in 2021? *

- Yes, we expect to have sales in excess of \$100,000 to customers in another state
- Yes, we expect to have 200 separate sale transactions to customers in another state
- No, we do not expect to have substantial sales to customers out of state

41. Please describe in detail what is being sold to customers out of state. Include the state where the sales are made and the total dollar amount or number of transaction made (or expected to be made): *

Sign Off

By completing the fields below, I certify that I have reviewed (or will review) the foregoing responses with my Dean, Vice President, or Department Head. Should I become aware of any activity conducted by my department that has the potential to generate unrelated business income, I will contact the University's Tax Department at taxdept@louisville.edu (<mailto:taxdept@louisville.edu>).

42. Name of individual completing questionnaire: *

43. Your title: *

44. Your email address: *

45. Name of your Dean, Vice President, or Department Head: *

Thank You!

You have completed the 2021 UBIT Questionnaire. The Tax Department will contact you if any additional information is required. If you have any documents or additional explanations you would like to supply, please submit those to taxdept@louisville.edu (<mailto:taxdept@louisville.edu>).

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