Identifying Unrelated Business Income

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

- Trade or Business: EXEMPT
  - No
  - Yes

Is the activity regularly scheduled and frequently carried on?

- Regularly Carried On: EXEMPT
  - No
  - Yes

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

- Contribute Substantially: Size and Extent
  - No
  - Yes

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

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

- Convenience of student, faculty, staff, or patients: EXEMPT
  - 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?

- Volunteers providing services: EXEMPT
  - 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?

- Students providing services: EXEMPT
  - 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?

- Sale of Donated Goods: EXEMPT
  - No

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

- Qualified Sponsorship: EXEMPT
  - No

Start

This flow chart is for illustrative and training purposes only. Please contact Tax Services at FNSV-Tax-Services@arizona.edu for additional clarification when generating income from selling goods or performing services for external customers.
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