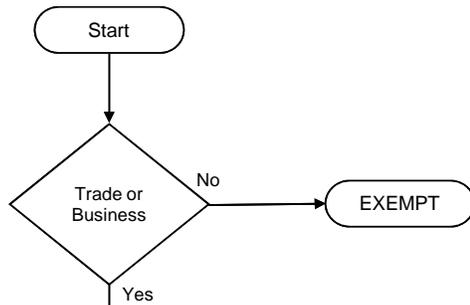


Identifying Unrelated Business Income

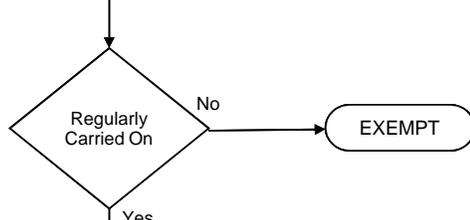
This flow chart is for illustrative and training purposes only. Please contact Tax Services at FNSV-Tax-Services@arizona.edu for additional clarification when generating income from selling goods or performing services for external customers.

I. GENERAL

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

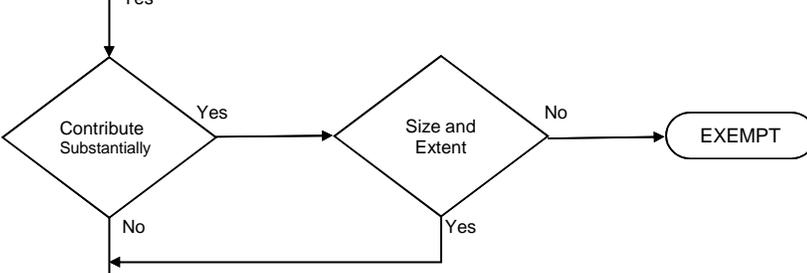


Is the activity regularly scheduled and frequently carried on?



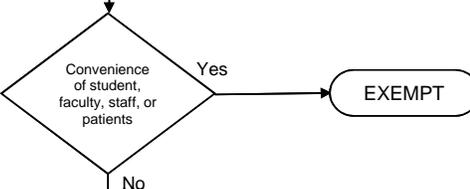
Does the activity contribute substantially to the instructional or research purpose of the University?

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

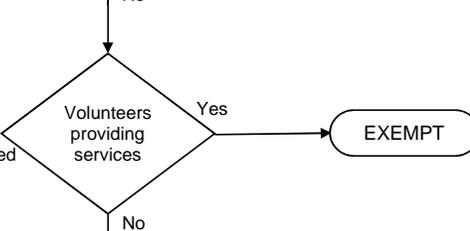


II. STATUTORY EXCEPTIONS

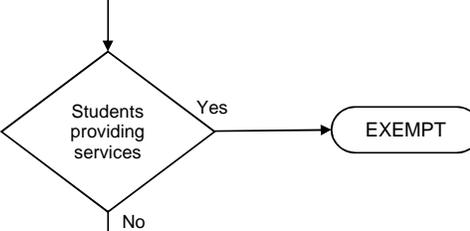
Does the activity exist primarily for the convenience of the University's students, faculty, staff or patients?



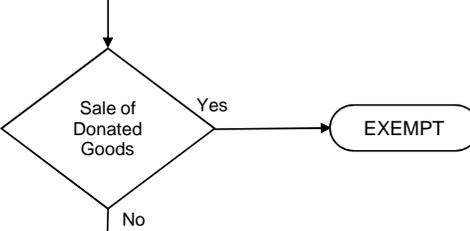
Do unpaid volunteers provide the income generating services? If so, do the volunteers generate over 85% of the total income earned by the activity?



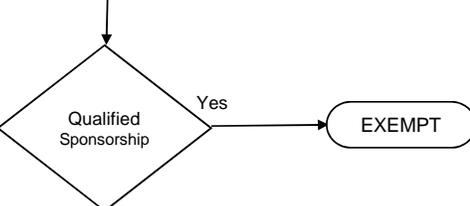
Do University students provide the income generating services as part of an educational curriculum? If so, do the students generate over 50% of the total income earned by the activity?



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?



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



Identifying Unrelated Business Income

(CONTINUED)

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