

NON-FINANCIAL QUESTIONNAIRE

A Non-financial Questionnaire must be completed for all activities with a potential for generating unrelated business income. The completed questionnaire will be used to determine whether or not the activity should be included in the University's consolidated Exempt Organization Business Income Tax Return (Form 990-T) submitted to the IRS. Please refer to the accompanying Review Guidelines for additional information on what constitutes an unrelated business activity.

Note the requirement that each section of the questionnaire be completed for an activity.

U.T. INSTITUTION _____ DEPARTMENT _____

ACTIVITY _____

FUND NUMBER/REVENUE ACCOUNT: _____ - _____
_____ - _____
_____ - _____
_____ - _____
_____ - _____
_____ - _____

CONTACT PERSON _____ PHONE (____) _____

DATE PREPARED _____

FOR GENERAL COUNSEL'S USE ONLY

REVIEWED BY _____

DATE _____

OVERALL DETERMINATION: REPORT _____ EXEMPT _____

GENERAL

A. Trade or Business

1. Is the activity generating revenue from the sale of goods or the performance of services? Yes ___ No _____

2. Approximately how much revenue was generated by the activity during the fiscal year (unrelated sales only)? \$ _____

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

4. 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 act is performed (unrelated sales only).

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" casual relationship to accomplishment of the University's exempt purposes?
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, does this experience earn the students credit toward a degree?
Yes ___ No ___

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

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

A. 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 _____

B. Convenience of University Members

1. Is the activity performed for the convenience of University students, faculty, staff or patients? Yes ___ No ___
2. Indicate the percentage of total revenues attributable to each group of users. Users refers to customers of the activity, not those conducting the activity:

<u>Users</u>	<u>Percentage</u>
University students	_____
University faculty/staff employees	_____
University patients	_____
University alumni	_____
General public	_____
Other (specify)	_____
_____	_____
TOTAL	<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.

C. 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 _____

MODIFICATIONS 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.

B. 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:

<u>Property</u>	<u>Percentage</u>
Real Property	_____
Personal Property	_____
TOTAL	100%

- 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 services (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 or Investments

a. Does the activity unit receive revenue from the rental of or investment of the proceeds from debt-financed or securities 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. If debt-financed real property, indicate the percentage make-up of those who occupy the property on an annualized basis.

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

C. Sponsored Research-General

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 questions posed, how these are being explored, and how the results are publicized.

4. Does the activity involve the performance of research under a 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.

D. Clinical Trial/Drug Tests

1. General

- a. Who is the sponsor of this clinical trial/drug test?

- b. What is the agreement number? _____

- c. What is the dollar amount of the agreement? _____

2. Activity Location

- a. Where does the clinical investigation take place?

Medical School _____
University Hospital _____
Both locations (please specify below) _____
Other (please specify below) _____

- b. If the clinical trial/drug test takes place at both the medical school and the hospital or at some other location, please explain.

3. Student Training (Students are defined as anyone receiving instruction or training through a bona fide university educational program. In addition to undergraduate and graduate students, the term "students" includes the interns and residents of a university teaching hospital. Doctors, nurses, medical technologists and technicians and other allied health professionals may also be considered as students of a teaching hospital if they are receiving recurrent or additional instruction in their respective fields such as through a continuing education program.)

- a. Are students involved in the clinical trial/drug test as part of a required training or learning experience? Yes ___ No ___

b. If yes, for whom is the training provided?

- Medical students _____
- Other graduate students _____
- Interns _____
- Residents _____
- Doctors _____
- Nurses _____
- Medical technicians/technologists _____
- Other (please specify below) _____

c. If other, please explain.

d. How do students participate in the clinical investigation?

- Screening/Selection of test subjects _____
- Observation of testing/diagnostic techniques _____
- Administration of drug/test _____
- Monitoring effects of drugs _____
- Interpretation of results/data analysis _____
- Other (please specify below) _____

e. Briefly describe the role of students in the clinical trial/drug test.

f. Briefly describe the nature of the instructional activity conducted in conjunction with the clinical trial/drug test.

g. Are the results of the clinical trial/drug test used as instructional material?

Yes ___ No ___

If yes, please explain.

h. Are the results of the clinical trial/drug test available for publication?

Yes ___ No ___

If yes, please explain.

4. Patient Care There are six categories of individuals who are considered patients of a hospital for purposes of defining tax-exempt patient care. These are: (1) inpatients, (2) outpatients, (3) persons directly referred to the hospital's outpatient facilities by their private physicians for specific diagnosis or treatment procedures, (4) persons refilling prescriptions written during their treatment as hospital patients, (5) persons in a hospital administered home care program and (6) persons receiving medical care in a hospital affiliated extended care facility.

a. Are the participants in the clinical investigation restricted to university patients?

Yes ___ No ___

If no, please explain.

b. If the subjects are university patients, is the clinical study related to the medical condition for which they are receiving care as patients of the hospital?

Yes ___ No ___

If no, please explain.

c. Does this participation of the subjects in the clinical study contribute importantly to the patient care function of the hospital?

Yes ___ No ___

If yes, please explain.

d. Additional Comments

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 or desirable for the University to offer these goods or services for sale.

HOSPITAL SERVICES

A. Services Provided to Non-patients

1. Does the activity unit generate revenue from hospital services (i.e.. pharmaceutical sales, lab testing., etc.) provided to non-patients? (A former patient refilling a prescription, a person receiving medical services a part of a hospital administered home care program, or receiving medical care and services in a hospital affiliated extended care facility would be classified as a patient for this purpose.)
Yes ___ No ___

2. If yes, describe the nature and extent of the hospital services, as well as the relationship if any, between the physician(s) and patient(s) and hospital.

3. Does the activity generate revenue from hospital services provided as a convenience to office patients of physicians who are not full-time faculty members of the University?

Yes ___ No ___

If yes, please describe the nature and extent of these services.

B. Services to Other Institutions

1. Are hospital services (i.e., data processing, purchasing, warehousing billing and collection, food, personnel, security, etc.) provided to another tax-exempt hospital?
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 inpatients served by the other hospital?

 - c. Are the services related to the recipient hospital's exempt purpose if performed by the recipient hospital on its own behalf?
Yes ___ No ___
3. Are services provided to a hospital or other institution 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 publications? 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. Paid employees? | Yes ___ No ___ |
| c. An outside Company? | Yes ___ No ___ |
| d. Uncompensated volunteers? | Yes ___ No ___ |

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

JOINT VENTURES

1. Does the activity involve a joint venture or partnership with a taxable organization?
Yes ___ No ___

2. If yes, please attach a copy of the partnership agreement.

RELIEF OF GOVERNMENTAL BURDEN

1. Does the activity involve the performance of an essential governmental service?
Yes ___ No ___

2. If yes, please answer the following:

a. Was the activity previously undertaken by the governmental unit?
Yes ___ No ___

b. Will the governmental unit be exercising any on-going supervision of the activity?
Yes ___ No ___

c. Have there been formal legislative or other official actions of the governmental unit recognizing the university as acting on behalf of the government?
Yes ___ No ___

d. Is the activity an integral part of a larger governmental program?
Yes ___ No ___

3. Please provide an explanation for any question above (2a-d) with a yes answer.

OVERALL RECOMMENDATION

Report _____ **Exempt** _____

Briefly explain the reason(s) why the activity should be reported or exempted.
