



Sam Houston State University

A Member of The Texas State University System

Payroll Office
PO Box 2095
Huntsville, TX 77341
936/294-1094
FAX 936/294-1099

Unrelated Business Income Questionnaire

Purpose: to determine and report revenue-generating activities.

The following questions help the Finance Division determine whether or not your department's revenue-generating activity must be reported as taxable by the university on the university's tax return, the 990-T.

If you have questions, contact the Tax Specialist by email at cml018@shsu.edu or phone 294-1094.

I. Description of Activity.

A. How is the revenue generated? (Check one)

- a. Sale of goods
- b. Fee for services performed
- c. Other (Explain) _____

B. Who are the customers? (Check all that apply)

- a. Currently enrolled students
- b. Currently employed faculty or staff
- c. Alumni
- d. General public

C. Please provide a complete description of the activity. Include a description of all goods and services sold and the reason that these goods and services are being offered for sale (attach additional sheet if necessary).



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II. Determine whether activity is regularly carried on.

A. How often is the activity conducted to generate revenue? (Check one)

- a. Once per year for _____ days
- b. From _____ to _____ each year (enter months)
- c. Continually available for sale year round
- d. Infrequent or sporadic _____ days per year estimate

Additional Explanation:

III. Determine Student Involvement and Educational Purpose

A. Are currently enrolled students actively participating in this activity as part of a course for credit?

Yes _____ No _____

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



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B. Does the activity otherwise have a substantial causal relationship to accomplishment of the University's exempt purpose, education?

Yes _____ No _____

If yes, please explain how the activity enhances, furthers, or in any way relates to the exempt purpose of the University other than generating revenue.

C. Do currently enrolled faculty or staff participate in the revenue generating activity?

Yes _____ No _____

If yes, please explain how.



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IV. Determine whether activity is exempt from tax.

- A. Are unpaid volunteers, either students or non-students, participating in the revenue generating activity?

Yes _____ No _____

If yes, please describe the duties or tasks assigned to the volunteers and indicate the percentage of the total effort attributable to the volunteer activity.

- B. Does the revenue-generating operation exist primarily for the convenience of currently enrolled students, faculty or staff?

Yes _____ No _____

What percentage of total revenues are attributable to faculty, staff, or students? _____

- C. Does the activity involve the sale of donated goods? Yes _____ No _____

If yes, what percentage of total sales involves donated goods? _____

V. Royalties, Research and Commissions

- A. Is the revenue received a "passive" royalty payments for trademarks, trade names, or copyrights? "Passive" means that no services are required to receive ongoing royalty payments.

Yes _____ No _____



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If yes, please describe 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.

B. Does the university, or a person representing the university, have to perform research under a contract in order to receive the royalty payments?

Yes _____ No _____

If yes, please explain:

C. Is this revenue generated from commissions or a percentage of income from sales of a non-university entity's goods or services?

Yes _____ No _____

If yes, please 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.



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VI Rents:

A. Is this revenue generated from rental of real property?

Yes_____ No_____

Is the amount of rent based on a percentage of income or profits derived from the activity for which the property is rented?

Yes_____ No_____

If yes, describe the rental agreement.

B. Is this revenue generated from rental of property plus equipment?

Yes_____ No_____

If yes, describe the type of property rented, the equipment included, the person or group to whom the property is rented, and the purpose for which the property is rented. Please indicate the percentage of the rent derived from the property vs. the equipment.

C. Does the contract provide for tenant services in connection with the rental?

Yes_____ No_____

If yes, please describe the nature and extent of the services provided to the tenants, the person or group to whom the property is rented, and the purpose for which the property is rented.



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VII. Sponsored Research

- A. If research is sponsored by other than a governmental unit, describe the person or entity for which the work is performed.

- B. 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_____

- C. Does the activity involve the performance of research under a product testing agreement incident to commercial or industrial operations?

Yes_____ No_____

If yes, please describe the nature of the research activity:



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VIII. Special Circumstances

- A. Are the goods or services offered technically advanced, unique, or unavailable within a reasonable distance? Yes _____ No _____

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.

IX. Advertising

- A. Is revenue generated from the sale of commercial advertisements or underwriting in a university publication? Yes _____ No _____
- B. Are students participating in the creation or sales of advertising as a part of a course for credit? Yes _____ No _____
- C. Explain the instructional nature of the duties and tasks assigned to the students.

- D. Are advertisements sold by:

- | | | |
|------------------------------|-----------|----------|
| 1. Students? | Yes _____ | No _____ |
| 2. Paid employees? | Yes _____ | No _____ |
| 3. An outside company? | Yes _____ | No _____ |
| 4. Uncompensated volunteers? | Yes _____ | No _____ |



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

F. **Please attach a copy of the advertisement or publication**

To be completed by the University Tax Specialist:

Report _____

Reason: _____

The assistance of the staff at the Texas State University System, University of North Texas, University of Texas System, University of Michigan, University of Miami (Ohio), and Texas A&M University in the creation of this questionnaire is greatly appreciated.