



# UBIT QUESTIONNAIRE FOR SALES AND SERVICE

**Purpose:** External sales of goods or services can constitute “unrelated business activities,” which are not substantially related to the University’s tax-exempt mission. The questionnaire is used to gather information on the external sales activities in order to assess the potential risk of unrelated business income tax liabilities, which are reported on the University’s [Unrelated Business Income Tax](#) return.

**1. Who is the other contracting party (customer)? Identify the customer type as applicable:**

Name: \_\_\_\_\_

- Governmental entity
- University
- Other Not-for-profit organization
- For-profit organization
- Other (please describe): \_\_\_\_\_

**2. Please describe in detail the sales and service to be provided in the contract. Please also indicate if the sales/services are conducted year-round or one-time only.**

**3. How did you find the business opportunity with the customer? Do you solicit business from the public?**

**4. Please estimate your annual revenues from this customer and expenses associated with such revenues.**

Calculate estimated profit by subtracting direct expenses from revenues, do not allocate any other overhead. For example, if you sell a product at \$100 per unit, with direct material at \$50, direct labor at \$20, then your profit per unit is \$30

Annual Revenue: \_\_\_\_\_ Annual Direct Expense: \_\_\_\_\_  
Annual Profit: \_\_\_\_\_

5. If you are selling tangible products, are the products merely side-products of the University's research projects (describe the research projects that generate the side-products)?
  
6. If you are providing service, is the service in a form of testing/analysis that is repetitive, following a standard procedure?
  
7. Does the service involve research using advanced scientific and technical expertise, development of new ideas, methods and skills, and academic training of students (e.g. students are awarded academic credit for participating)? Please provide details.
  
8. Is the business activity conducted for this customer by volunteers 85 percent or more of the time? Please explain how you calculate the percentage of the time.

Department/Center: \_\_\_\_\_

Contact Person (Name/Title): \_\_\_\_\_

Phone Number/E-mail: \_\_\_\_\_

Date: \_\_\_\_\_

Send completed questionnaire to [FNSV-Tax-Services@arizona.edu](mailto:FNSV-Tax-Services@arizona.edu). A copy should also be submitted to the [Office of Research Contracts](#) with your Sales and Service Transmittal.

For questions about this form, contact Tax Services at the email above or 520-621-1957.