



UBIT QUESTIONNAIRE FOR SALES & 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 & 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 the profit after you apply the direct expenses and the Administrative Service Charge to the revenues – **do not allocate any other overhead**. For example, if you sell a product at \$100 per unit, your direct material is \$50, direct labor is \$20, and the ASC is \$9, then the profit is \$21 per unit.

Annual Revenue: _____ Annual Direct Expense: _____
ASC: _____ 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 taxservices@fso.arizona.edu or fax to FSO -Tax Compliance at 520-621-7078. A copy should also be submitted to CRS with your Sales and Service Transmittal. For questions about this form, contact Tax Compliance at 520-621-1957.