


UF & UBIT:
Unrelated Business Income Tax

Presented by:
 Corinne LaRoche, CPA
 September 27, 2023

UF UNIVERSITY of FLORIDA

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Housekeeping

- Please mute your microphone
- Zoom recording - available on our website soon
- Type your questions in the **Chat** feature
 - We will monitor and answer what we can during the session (verbally or via chat)
 - Other questions will be captured and answered off-line (so please don't ask anonymously)
- Polling questions - participation is appreciated!
- CPE credit

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Polling Question #1



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Objectives

- **Background & Basics of UBI**
- UBI Exclusions
- Potential UBI-Generating Activities
- Applicable “Real Life” Examples



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UBIT Reminder

Auxiliary Accounting is here to help



- Before you sign an agreement or start a new revenue-generating activity, reach out to us for guidance.
- We have the expertise and campus connections to help address multiple concerns such as legal, procurement, accounting, billing, and taxes.



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UBIT Reminder

Throughout the presentation, when we say an activity is subject or not subject to tax, we are referring only to unrelated business income tax (UBIT).



Although some activities may be exempt from UBIT, they may still be subject to other taxes, such as Florida Sales and Use Tax.



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UBIT

- The University of Florida is tax-exempt as an instrumentality of the State of Florida
 - Exempt purposes of state colleges and universities include all the purposes and functions described in Code Section 501(c)(3)
 - For Federal income tax purposes, the University may engage in *certain activities*

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UBIT Defined

“Income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational or other purpose that is the basis of the organization’s exemption.”

The following criteria must be present:

1. A trade or business
2. Regularly carried on
3. Not substantially related



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#1 - Is your activity a trade or business?

“Trade or business” – Any activity carried on for the production of income by selling goods or performing services.

- While the University/department is carrying on its daily exempt functions, it could also be carrying on unrelated activities that are taxable.
- Note, only UF sales or services to customers outside of the **UF**LOR Business Unit (external sales) may be taxable. Internal sales are exempt.



- Important Factor To Consider -
Does A Profit Motive Exist?



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#2 - Is your activity regularly carried on?



- Regularly carried on – activities show a frequency and continuity and are pursued in a manner similar to comparable commercial activities of nonexempt organizations
Key: Consider the frequency in which a for-profit entity operates.
- If an activity is typically conducted year-round by a for-profit entity, the same activity conducted by UF for a few weeks will not be considered “regularly carried on.”



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#3 - Is your activity not substantially related?

- Related to University Exempt Purpose
 - To be related to the University’s educational or research exempt purpose, there must be a substantial causal relationship.
 - The activity must contribute importantly to the accomplishment of the exempt purpose (not simply to produce needed income for the University.)
- Size & Extent
 - Particular emphasis is placed on the size and extent of the activity.
 - If an activity is conducted on a scale larger than reasonably necessary to carry out the exempt purpose, it is more likely to be treated as unrelated.
- Dual Use of Assets & Facilities
 - Use for both exempt and commercial purposes will not automatically exempt income generated from commercial use, unless the activity “contributes importantly” to the accomplishment of UF’s exempt purposes.

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Substantially Related Income

- Factual Question: Is there a direct relationship between the activity and accomplishment of UF’s exempt purposes?
- New revenue-generating activities at UF are reviewed to ensure consistency with exempt purposes and the potential for UBI.
- Just because an activity raises needed funds for the University/department does not mean that activity is considered exempt.



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Substantially Related Income

- **Substantially Related:**
 - Depends on facts & circumstances
 - Factors that the IRS and courts have relied on in concluding that an activity is not substantially related:
 - Fees charged to the general public are comparable to commercial facilities;
 - Only those who purchase the goods or services benefit, and the benefit is in direct proportion to the fees charged;
 - The organization furnishes and operates the facilities through its own employees who perform substantial services in providing the activity; and
 - Maximizing profit is a predominant element in conducting the activity by the exempt organization.

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Objectives

- Tax Reform
- Background & Basics of UBI
- **UBI Exclusions**
- Potential UBI-Generating Activities
- Applicable “Real Life” Examples



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Exclusions From UBIT



- **Volunteer Labor**
 - Activities in which substantially all (85% or more) work is performed by **volunteers**
- **Convenience of University Members**
 - Activities operated for the **convenience** of members, students, patients, or employees (a.k.a. the university community)
- **Donated Merchandise**
 - Sales of merchandise that is substantially all (85% or more) **donated** to the University

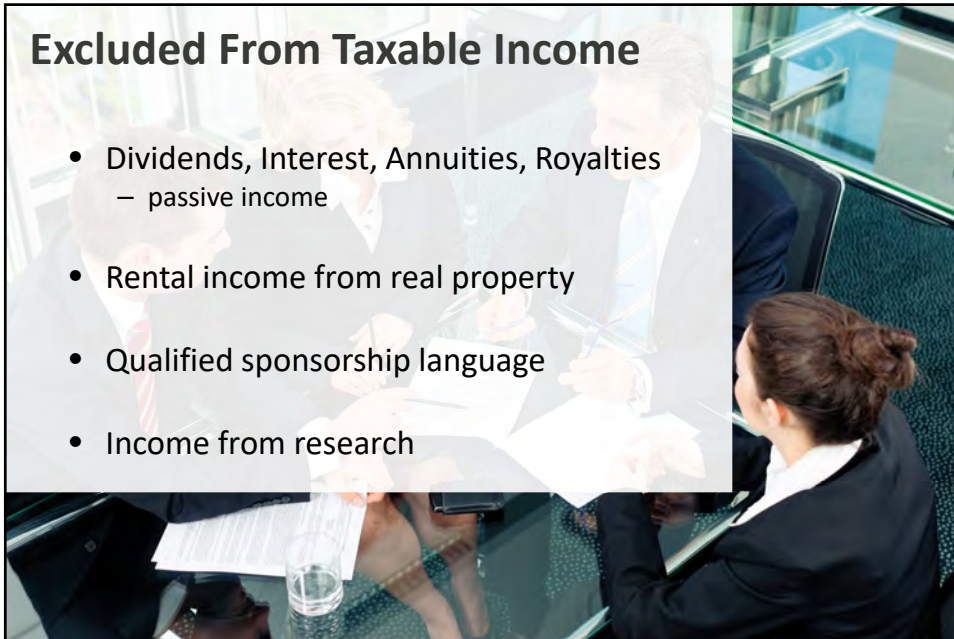


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Excluded From Taxable Income

- Dividends, Interest, Annuities, Royalties
 - passive income
- Rental income from real property
- Qualified sponsorship language
- Income from research



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Rental Income

- Rules vary depending on whether the income is derived from rental of real or personal property or from a mixed lease that includes both.
 - Real property: land, building, or space such as office, lab, warehouse, conference/meeting space
 - Personal property: furniture, supplies, equipment, books, clothing, computer, vehicle, bicycle
- Real Property – Generally, rents from real property are excluded from UBI if:
 - Non-customary additional services are not rendered
 - Rent is not dependent on a percentage of profits

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Rental Income

- The following may be taxable:
 - If services are provided, other than those customary to a real property rental, it may disqualify the real property rental exemption
 - Personal property rental is generally *taxable*
 - Parking and Hotel income are generally *taxable*

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Rental Income

- Mixed Lease – Generally, rent from the personal property portion is excluded only if it is an “incidental” part of the total rent received under the lease
 - Ignored as “incidental” if value is 10% or less
 - Separated and taxable, if between 10% and 50%
 - The entire rental income is taxable, if more than 50%

Rental Income

- Services provided with the rental?
 - Other than customary landlord/tenant maintenance or services primarily for the tenant’s benefit may render entire rental as taxable
 - **SERVICES:**
 - Supplying maid or linen services
 - Renting of parking spaces where attendant is on duty
 - Providing security services to a parking garage
 - **NOT SERVICES:**
 - Furnishing heat and light
 - Cleaning public entrances, exits, stairways, or lobbies
 - Collecting trash

Polling Question #2

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Research

- Revenues from research performed by UF are excluded from UBI

Examples:

- A federal agency awards a grant for UF to study new techniques in fighting tumors
- The State of Florida awards a grant for UF to study traffic control patterns and hurricane evacuation routes within the state

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Objectives

- Tax Reform
- Background & Basics of UBI
- UBI Exclusions
- **Potential UBI-Generating Activities**
- Applicable “Real Life” Examples



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Potential UBI-Generating Activities



- Advertising
- Sales of Merchandise

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Advertising

**ADVERTISE
YOUR
BUSINESS
HERE**



- Any language which is an inducement to purchase a product or service
- Qualitative or comparative language
- Price information
- Indication of savings
- Endorsements
- Call to action



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Examples of Activities Which May Generate Advertising Income

- Sports programs
- Electronic Signs/Boards
- Sponsorships of a departmental newsletter
- Periodical advertising
- Web-site advertising
- TV & radio broadcasting rights



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Sales of Merchandise

- In general, sales of merchandise are separated into three major categories:
 1. Directly educational materials – nontaxable
 2. Non-educational, convenience exception – nontaxable
 3. Other merchandise sales – taxable
- Exempt Sales:
 - Items that are “required or are otherwise necessary” for participation in a course of instruction and other educational materials that “further the unstructured intellectual life of the university community”
 - Non-educational items that are low in cost and in recurrent demand may fall under the convenience exception

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Sales of Merchandise

- Taxable Sales
 - IRS holds that the “convenience exception” does not apply to items with a useful life of more than one year
 - Exception: Logo novelty item or logo clothing
 - Sales to the general public (including Alumni) do not fall within the “convenience exception”

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Sale of Merchandise Unrelated, Excluded, or Related Revenue?

Unrelated Examples:	Excluded Examples:	Related Examples:
<ul style="list-style-type: none"> • IFAS Bookstore items sold to Alumni or the general public 	<ul style="list-style-type: none"> • Snack foods and drinks from the IFAS Bookstore sold to students (convenience exception) 	<ul style="list-style-type: none"> • Educational materials (e.g. books/class supplies) from the IFAS Bookstore sold to students
<ul style="list-style-type: none"> • VetMed Pharmacy sale of antibiotics or specialized diet food to non-patients, non-employees 	<ul style="list-style-type: none"> • VetMed Pharmacy sale of antibiotics or specialized animal diet food to employees (convenience exception) 	<ul style="list-style-type: none"> • VetMed Pharmacy sale of antibiotics or specialized animal diet food to patients (small or large animal)

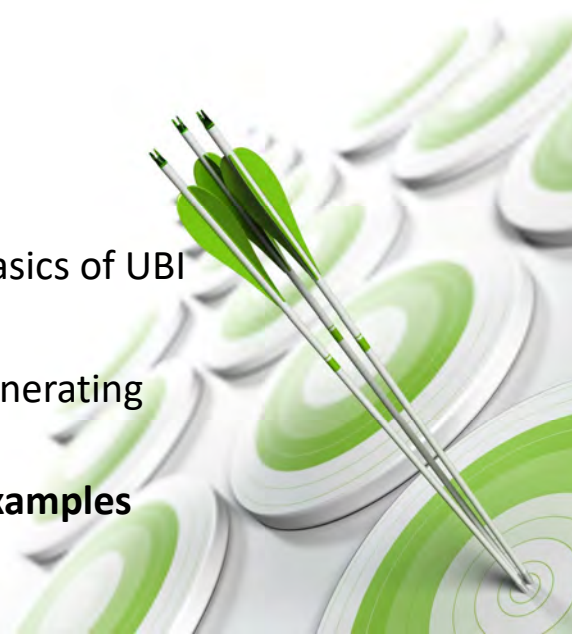


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Objectives

- Tax Reform
- Background & Basics of UBI
- UBI Exclusions
- Potential UBI-Generating Activities
- **Applicable UF Examples**



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Advertising

The Center for Performing Arts produces a printed souvenir program that includes some sponsor recognition and *potential* advertising. This scenario is not considered “regularly carried on” and is **exempt** from taxation.

Grad Department’s printed graduate student directory includes some sponsor recognitions. The material is reviewed to ensure that there is no call to action or other advertising characteristics.

- Auxiliary Accounting concludes that the sponsor information is a true sponsorship, is not regularly carried on, and lacks any defining advertising characteristics. Therefore, the sponsorship income is **not taxable**.



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Bookstore – In general



- Novelty items such as jewelry, mugs, pillows, etc. imprinted with the school name or seal
- Incidental items of wearing apparel such as school uniforms, sweaters, hosiery, handkerchiefs, etc., and
- Sundry items generally including items of low cost and recurrent demand such as newspapers, magazines, candy, cigarettes, film, etc.

These items fall within the convenience exception and are **nontaxable**.



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Bookstore

Most items sold at the UF Bookstore are **excludable** as either educational, UF logo items, or items that fall under the **convenience to university members** exception.

The sale of specific gift items (such as novelty items without a UF logo) is considered **taxable**.



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Career Services

The UF Career Connections Center (C3) conducts various career fairs for students to network and have an opportunity for job placement. Since the state monitors the university on its student job placement effectiveness and because these services are being provided to students, they are related sales **not subject** to UBI taxation.



Note: These career fairs may be exempt from UBI tax, but they are still subject to **Florida sales and use tax** as a rental of real property to the prospective employers for their booths.



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Equipment Rental

Water/Sporting equipment rentals at Lake Wauburg (Rec Sports) to students and staff are related and **nontaxable**.

Research equipment rental/use by faculty, researchers, and even external researchers is in support of UF's exempt research mission and **nontaxable**. UF also considers profit motive and use by other external users in making a tax determination.



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Equipment Sales



UF Surplus Property conducts online auctions in support of UF's Strategic Plan and sustainability initiative.

UF equipment that is no longer needed is first made available to UF departments for free and then is disposed to the general public at auction.

These auction sales are **nontaxable**, since gains and losses from the sale or disposition of property are excluded from UBIT.



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Facilities Usage (no lease)

The University Auditorium is rented to the general public for conferences and symposiums (educational events.) These events are considered related and are also eligible for the rental of real property exclusion. Income from these events is **not taxable**.

Note: Rentals made to **UF departments** are considered internal sales and are **not subject** to taxation.

The Baughman Center is rented to the general public for a wedding venue. The wedding event is unrelated and **taxable**.



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Hotel Operations

UF Reitz Union Hotel room rentals by sports fans or those with no UF affiliation or related purpose are considered “general public” use and are **taxable**.

Hotel room rentals by potential students, the university community (faculty/staff/patients), interview participants, or coinciding with other academic purposes are related and **nontaxable**.



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Entertainment Events

Phillips Center for the Performing Arts - Events conducted for the benefit of UF staff and students, as well as the general public, are in support of UF's educational purpose and mandated public service. These events are **nontaxable**. (UF students, faculty, or staff may also be participating in the actual performances.)



Each event (e.g. a professional entertainer/musician) is considered for student/faculty involvement, the manner in which it is conducted, and its contribution to UF's exempt purpose and mission.



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Rents (lease basis)

UF Reitz Union maintains retail leases for service providers such as a bank and a barber shop for students and the campus community.

These real property leases are **excluded** from UBI, so long as rent is not based on a percentage of net income or profit.

There is also a stance that these services are provided primarily as a **convenience** to university members (students, faculty, staff, and patients.)



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Parking Facilities

UF Transportation and Parking Services (TAPS) – Sale of parking decals, passes, garage/lot entry fees, and parking meter fees charged to the university community (students, faculty, staff, and patients) are related and **not taxable**.



Similar sales made to the general public are determined and considered **taxable**.



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Polling Question #3



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UBIT Takeaways

- There are a broad variety of revenue-generating activities conducted at UF, each of which must be considered for UBI.
- Remember the **three criteria** that must be met to have income subject to UBI tax:
 1. A trade or business
 2. Regularly carried on
 3. Not substantially related
- Unrelated business income is not discouraged. We just need to ensure that any resulting taxes are paid.
- Auxiliary Accounting is here to help - Think ahead and contact us for assistance **before** starting any new activities.



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Questions



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Contact



Corinne LaRoche, CPA

James Moore & Co.

www.jmco.com

Email: Corinne.LaRoche@jmco.com

Phone: (352) 378-1331



Unrelated Business Income (UBI) Tax Certification

Auxiliary Accounting
September 27, 2023

1



Why is UBI Important?

2

2

IRS – Tax Exempt and Governmental Entities (TE/GE) Priorities

Leverage Technology and Data Analytics:
“Use noncompliance research and data analytics to detect emerging issues”

3

3

IRS Focus on Higher Education Institutions

Outcomes of Colleges and Universities Compliance Project

Focus Area: Unrelated Business Income

- Increased UBI for 90% of colleges and universities examined, totaling about \$90 million
- Disallowed more than \$170 million in losses and Net Operating Losses, which could result in more than an estimated \$60 million in additional tax assessments



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Why is UBI important?

Activity documentation must:

- Justify potential exemption
- Withstand IRS scrutiny

Required to file IRS Form 990-T

Form 990-T Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))
 OMB No. 1545-0047
 2022
 Department of the Treasury Internal Revenue Service
 Go to www.irs.gov/Form990T for instructions and the latest information.
 Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).
 Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed. **Name of organization** (Check box if name changed and see instructions.) **D** Employer identification number

B Exempt under section: 501(c)(1) 408(a) 220(e) 408A 530(a) 520(a) 529A **Print or Type** Number, street, and room or suite no. If a P.O. box, see instructions. City or town, state or province, country, and ZIP or foreign postal code **E** Group exemption number (see instructions)

C Book value of all assets at end of year **F** Check box if an amended return.

G Check organization type: 501(c) corporation 501(c) trust 401(a) trust Other trust State college/university

H Check if filing only to: Claim credit from Form 8941 Claim a refund shown on Form 2439

I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation

J Enter the number of attached Schedules A (Form 990-T)

K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? Yes No If "Yes," enter the name and identifying number of the parent corporation

L The books are in care of Telephone number

Part I Total Unrelated Business Taxable Income

1	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1
2	Reserved	2
3	Add lines 1 and 2	3
4	Charitable contributions (see instructions for limitation rules)	4
5	Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5
6	Deduction for net operating loss. See instructions	6
7	Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7
8	Specific deduction (generally \$1,000, but see instructions for exceptions)	8
9	Trusts. Section 199A deduction. See instructions	9
10	Total deductions. Add lines 8 and 9	10
11	Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11

Part II Tax Computation

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UBI Compliance at UF

- As New Activities are Established
 - Fee for Service Educational Activity (FSEA)
- Annual Questionnaire and Certification Process
- Provided Ongoing Guidance and Resources



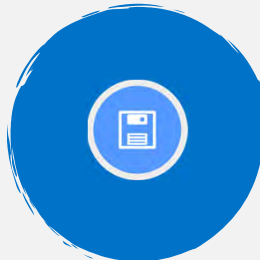
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UBI Certification Process



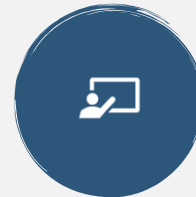
Electronic

Certification is performed online with UF Authentication



Save and Return Later

Save the incomplete Form for easy access



Routing for Approval

No need to wait for manual signatures

Know a Form's Status at all times

7

7

Certification Recommendations

- Use **Chrome, Edge** or **Firefox** browser

Browser	Version
Google Chrome	80 and newer
Microsoft Edge	EdgeHTML 16 and newer
Microsoft Edge on Chromium	79 and newer
Mozilla Firefox	68 and newer
Mozilla Firefox ESR	68
Apple Safari	13.0.x and newer

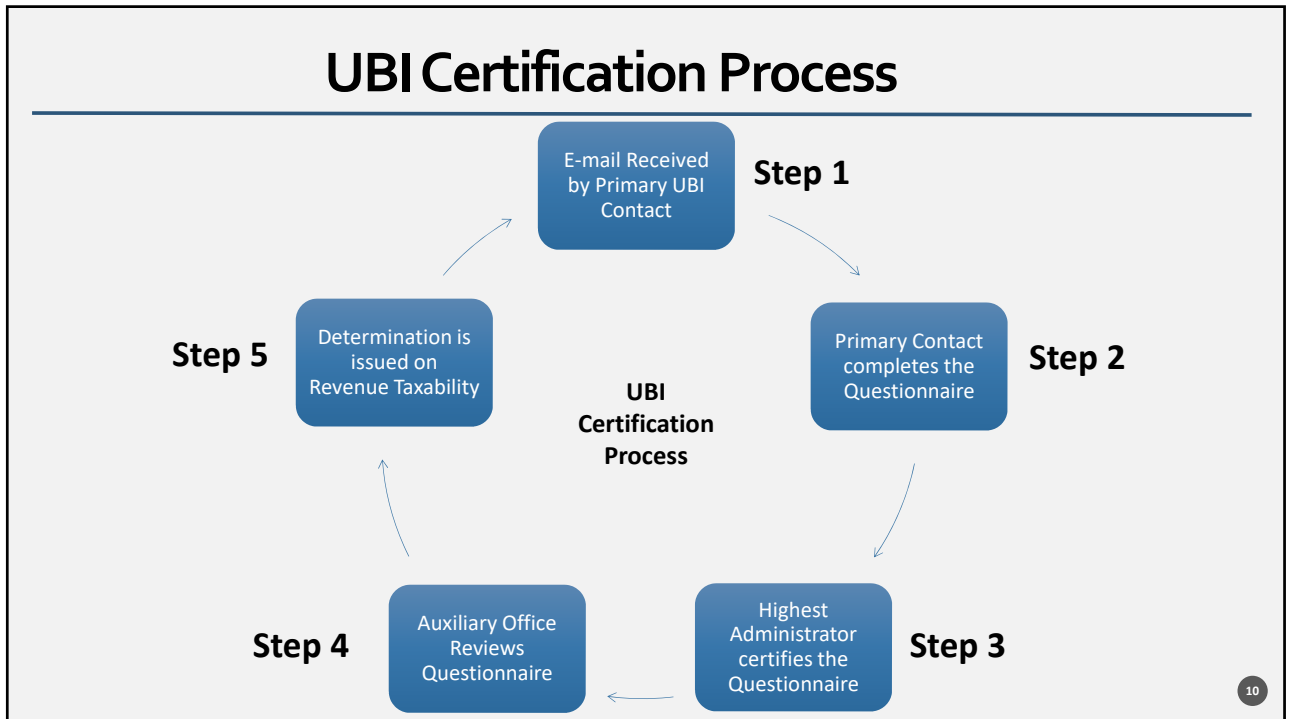
- Use a UF-owned PC

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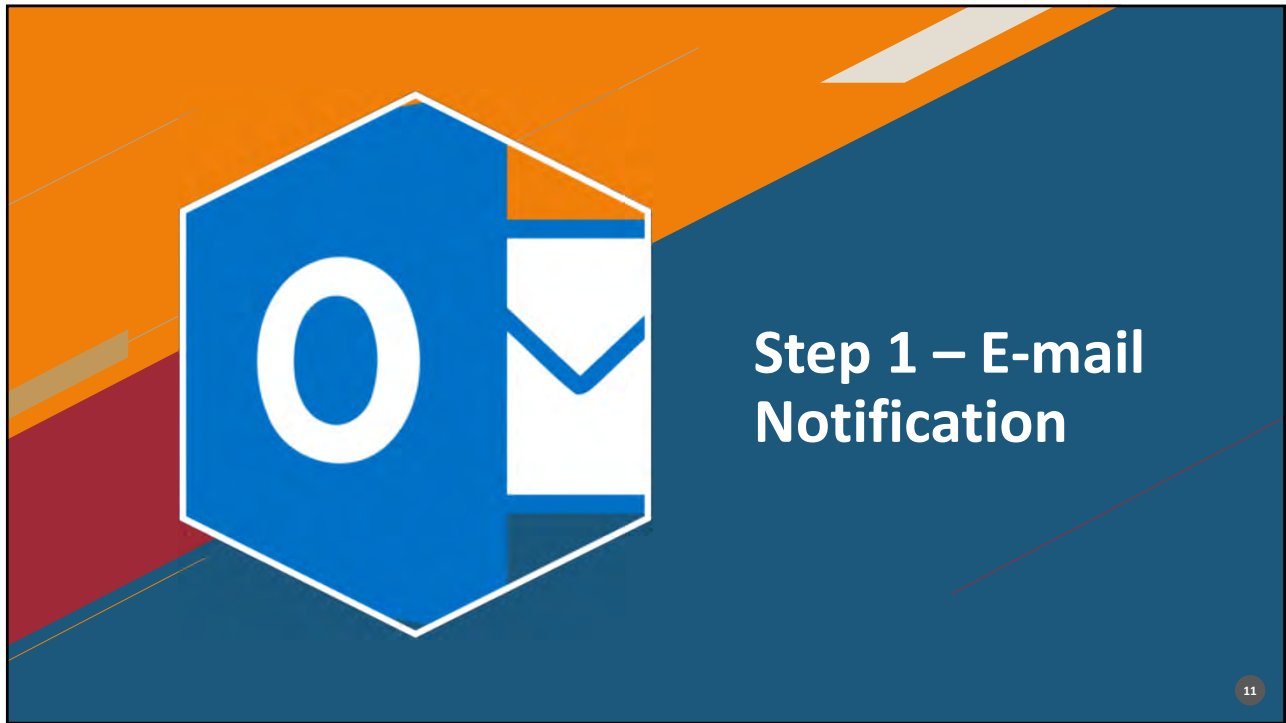
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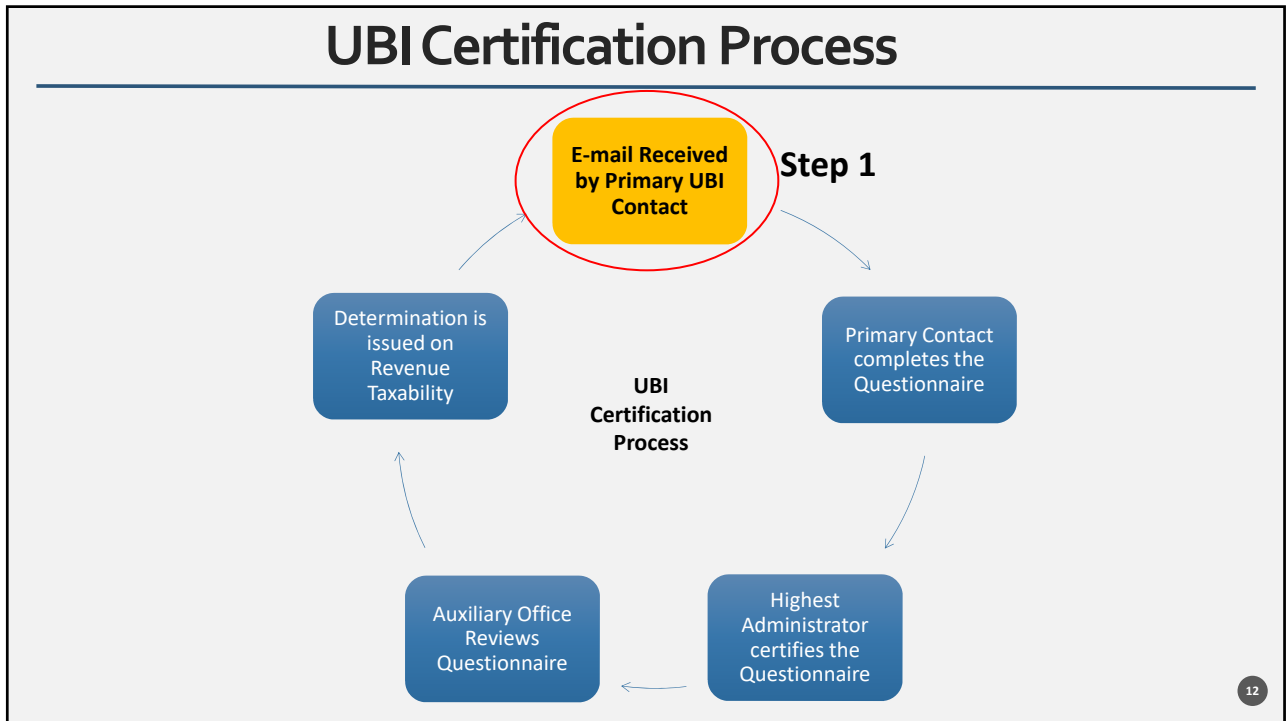
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The graphic features a large blue hexagon with a white outline. Inside the hexagon, on the left, is a white circle containing a blue 'O'. To the right of the 'O' is a white envelope icon with a blue checkmark. The background consists of diagonal stripes in orange, red, and blue. To the right of the hexagon, the text 'Step 1 – E-mail Notification' is written in white on a dark blue background.

Step 1 – E-mail Notification

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Not the Primary Contact?



Forward

Forward the E-mail to
the correct contact
for the activity



Ask for Help

Contact the
Auxiliary team
ubi-tax@ad.ufl.edu

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Electronic UBI Reporting

Remember: Activities certified in the prior year are copied forward to the new year to help expedite your UBI processing



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New Activity?

Is this a new activity or one using in a different cost center (Fund, Dept, Account, Flex) than in the prior year?



A “new” activity may also result from using a newly-created revenue GL account code.

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E-mail to Primary Contact – New Activity

- Includes chartfields and revenues selected for certification.
- **UBI/FSEA #** is your “key” to the electronic reporting
 - Automatically assigned to your activity
 - Used to complete the online Questionnaire



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Email to Primary Contact – **New** Activity

Request to Complete UBI Questionnaire (UBIT)



Auxiliary Accounting is collecting data for the fiscal year ended June 30, 2023 to prepare the University of Florida Exempt Organization Business Income Tax Return, Form 990-T. The University is required by Federal law to file this annual income tax return with the Internal Revenue Service (IRS), reporting net income/(loss) from activities that are unrelated to its tax-exempt purpose and mission.

Please review the departmental activity below and complete the corresponding **Unrelated Business Income (UBI) Questionnaire and Certification for each Activity Type.**

UBI#	Fund#	Dept ID#	Dept Description	Dept Flex	Account#	Account Name	GL Balance
9997	149	01100010	UL-Lab Test I	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 22,500.00
9997	149	01100020	UL-Lab Test II	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 43,000.00
9997	149	01100030	UL-Lab Test III	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 32,300.00

The form must be completed electronically on our website at <http://www.fa.ufl.edu/directives/ubi-questionnaire-and-certification/> by selecting the “**Complete UBI Certification**” button. Additional instructions and references are available for you as well.

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Prior to Completing Questionnaire



- Review the provided list of revenues.
✓ Consider what **type(s)** of activities **generated** these revenues



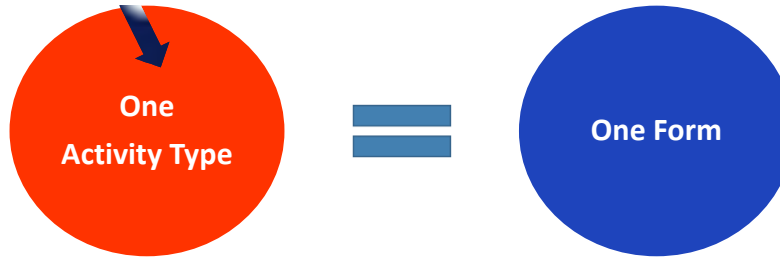
- Group and report all corresponding departments and revenues for a **single activity type** onto **one** Questionnaire, if possible

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Sample Report – One Activity Type

UBI#	Fund#	Dept ID#	Dept Description	Dept Flex	Account#	Account Name	GL Balance
9997	149	01100010	UL-Lab Test I	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 22,500.00
9997	149	01100020	UL-Lab Test II	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 43,000.00
9997	149	01100030	UL-Lab Test III	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 32,300.00



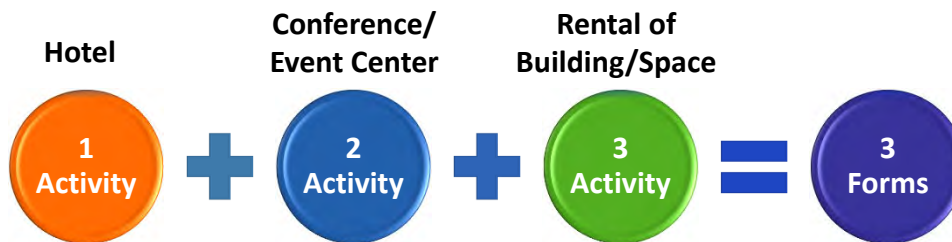
Sale of Lab Tests

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Sample Report – Multiple Activity Types

UBI#	Fund#	Dept ID#	Dept Description	Dept Flex	Account#	Account Name	GL Balance
9999	149	03900100	US - Hotel	N/A	442200	Hotel Revenue (External)	\$ 255,750.00
9999	149	03900200	US – Conferences	N/A	440500	SALES & SERVICES - EXTERNAL	\$ 25,800.00
9999	149	03900300	US – Rental	N/A	441600	Rental-Real Property (External)	\$ 32,300.00



20

20

Existing Activity?


Was this activity reported using the electronic UBI certification process in the prior year?



21

21

E-mail to Primary Contact – **Existing** Activity

- An e-mail notice provides a **link** to the Questionnaire to complete for the year being certified
- Most of the Form is **pre-populated** based on the prior-year responses, but it must still be reviewed for any changes or corrections 
- Corresponding Chartfield and Revenue information must be added prior to submitting the Form

22

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How to Find the UBI Questionnaire?



Follow the Link

Provided in the notification e-mail



Webpage

Visit our “UBI Questionnaire and Certification” webpage

<http://www.fa.ufl.edu/directives/ubi-questionnaire-and-certification/>



Remember: GatorLink authentication is required to access the online UBI Questionnaire

23

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UBI Certification Website

URL: <http://www.fa.ufl.edu/directives/ubi-questionnaire-and-certification/>

UBI QUESTIONNAIRE AND CERTIFICATION

The University requires departments to review activities that may be Unrelated Business Income (UBI) through the **Annual Electronic UBI Questionnaire and Certification form** that can be accessed by clicking “**Complete UBI Certification**” button

Campus UBI Processing for FY2023 will begin on or after **October 4, 2023**.

Deadline to submit:

- UBI Questionnaire and Certification: **November 1, 2023**
- UBIT FS Template: **November 1, 2023**

ACCESS TO FORMS

[COMPLETE UBI CERTIFICATION](#)

[FIND MY UBI CERTIFICATION](#)

[NEED HELP? EMAIL UBI-TAX@AD.UFL.EDU](#)

OVERVIEW

Attachments

[UBIT-FS Template-2020-2021](#)

Related Articles

- [Unrelated Business Income FAQs](#)
- [UBI Exclusions](#)
- [Unrelated Business Income \(UBI\) Definitions](#)
- [Example of Activities Related to the Mission of UF](#)
- [Example of Activities Unrelated to the Mission of UF](#)
- [\(Tax Reform\) Changes to Unrelated Business Income Tax \(UBI\)](#)

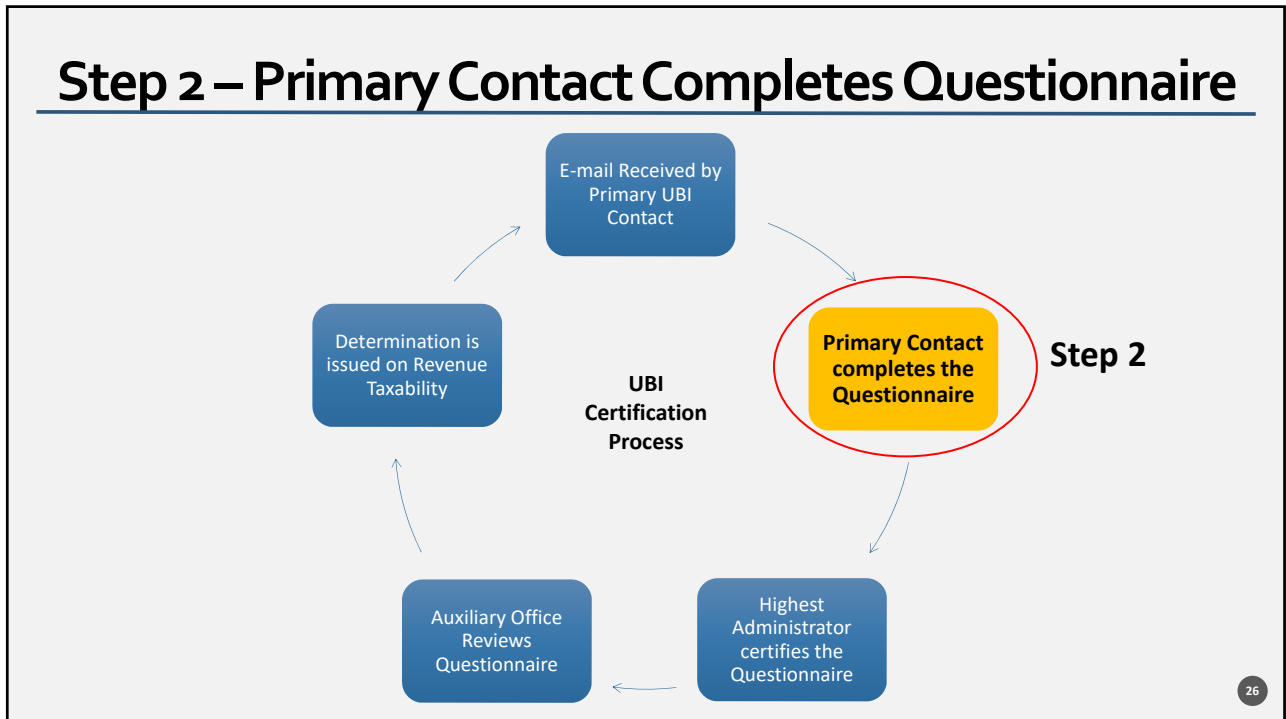


24

24



25



26

Completing the Questionnaire – Time Out



Remember: Your Single Sign On authentication will **time out after 20 minutes of inactivity**. Be sure to save your form if you cannot complete and submit it without a 20-minute delay, or you will lose your work.

Once you have saved your form, you will receive an email with a link to return and complete it.

If you do get “timed-out”, you may still have access to input the form, but you will not be able to save or submit.

27

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Use the handout
UBI Training Sample Form.pdf
to follow along

Activity Details

1. Select UBI# or use the link provided in the notification e-mail

UBI # * 9997	UBI Name UNIVERSITY LAB SERVICES
------------------------	--



Remember: You may update the **UBI Name** to something more meaningful, if needed.

2. Review or Select an Activity Category:

Activity Category *
Professional Services
Hotel/Dormitory/Sleeping Facilities
Ticket Sales
Memberships

28

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Activity Category

Select the one that best describes the revenue source:	
Conferences/Training/Workshops	Ticket Sales
Store/Merchandise/Crop Sales	Memberships
Student Tuition	Advertising
Lab Activities	Commissions
Rental/Lease/License Activity	Sponsorship
Professional Services	Parking and Transportation
Hotel/Dormitory/Sleeping Facilities	Utilities
Animal Sales	Copy/Printing Fees (including 3-D)
Big Data/Cloud Computing/Data Storage	Cost Reimbursements
Registrar Surcharge	Event Entry Fees/Fundraising
Fines/Penalties/Replacement Costs	Other (describe)

29

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Activity Description and URL

- Two text boxes are available to more fully describe your activity. (Limit ~250 characters per box)
 - Provide as much detail and explanation as possible.
 - It's your chance to tell us "**what you did**" to generate the revenue.
 - If additional space is needed, attach a document to the Form.
- Activity website URL - Type **N/A**, if none or not applicable



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Activity Description - Example

Please **describe the activity** for which you charge customers and/or collect revenues.

(250 char. max)

We provide continuous diagnostic lab services and testing of water samples from two primary customers (Gator River Management and Gator Bottling company). Samples are tested to verify levels of contaminants. Environmental students conduct all tests

Need more room? Continue description below . . . (250 char. max)

and receive course credit for their degree program. We only charge enough to cover the costs of supplies and a portion of the lab director's salary.

List the Website URL for this activity (or type N/A)

www.bestlabservices.ufl.edu

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Departments and Revenue for Activity

- A UBI # with only a **single chartfield revenue value** auto-populates the Departments section, once the Activity Category is selected

Form # 20975 Form Status NOT SUBMITTED

Activity Details

Fiscal Year Ended 2021 UBI # 9999 UBI Name CORE OFFICE TESTING Activity Category Professional Services

List all of the Department(s) for this Activity (click the ADD button at right for additional rows)

UBI #	Fund#	Dept ID#	Dept Description	Flex Code	Account #	Account Description	GL Balance	Dept Reported Revenue
9999	149	34010307	CORE OFFICE TESTING RECORD	N/A	441700	RENTAL-PERSONAL PROP(EXTERNAL)	22,241.22	

- In this case, there is no need to select each unique chartfield and revenue account from the pop-up selection box.

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Departments and Revenue for Activity

- A UBI # with more multiple chartfield revenue values will display a pop-up box listing all associated external revenue amounts

- Scroll to the right** and press the “Select” button to populate the row. (Note: You can only select one row at a time from the pop-up box)

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Departments and Revenue for Activity

- To add more revenue rows, press the **Add** button and select a different row from the pop-up box options.



Remember: You must certify all displayed revenues to the activity or activities for the corresponding UBI#.

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Department Reported Revenue

- **Not a required field** for Form submission
- Used to report revenues within the same cost center that are generated by more than one Activity Category (Type)
- Report the actual revenues for each Activity Category



Remember: Department Reported Revenue amounts should be entered on separate Forms for each Activity Category.

Reach out to the Auxiliary Team if you need help with this process.

List Department(s) for this Activity (click 'Add' button at right for additional rows) Add

UBI #	Fund #	Dept ID #	Dept Description	Flex Code	Account #	Account Description	GL Balance	Dept Reported Revenue	Remove
9999	143	17070100	CORE OFFICE TESTING RECORD	52D5147	440500	SALES & SERVICES - EXTERNAL	22,225.22	19,000.00	Remove

35

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Foreign Source Income

- Question regarding any foreign-source income for UF compliance reporting (yes/no)

Are any of the revenues reported above from a foreign (non-U.S.) source ?

YES

Please estimate the foreign income amount:

LESS THAN \$10,000

\$10,000-\$99,999

\$100,000 OR MORE

Do you charge customers and/or collect rev

- If “YES” is selected, you must estimate the foreign income amount from three available ranges.

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Polling Question #4 - Feedback

For those of you who used the electronic certification process last year, where did you experience the most difficulty?

Please share any responses in the **Chat**

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Activity Contacts



Primary Contact

- Person completing / submitting the Questionnaire

Activity Contacts

Primary Financial Contact

Enter **your** UFID as the person completing this form.

UFID *	Name	Title	Email
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



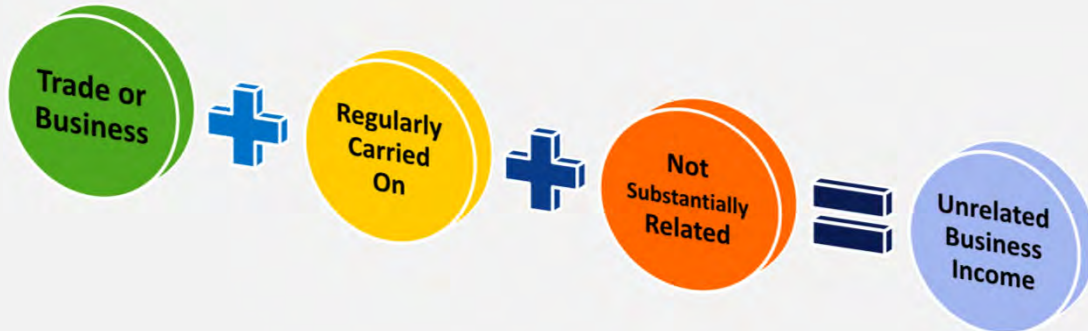
Senior Departmental Approver

- Person certifying the Questionnaire
- **Highest Accountable Administrator** for the unit

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Section I – General Information



Remember: All three criteria must be met for revenue to be Unrelated Business Income (UBI)

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Section I - Customer Categories

Estimate external revenues by customer categories:

Customer Categories: Percentages must total to 100%

4. Identify the percentage of external revenues reported on this form for each customer group listed below. (Enter to the nearest whole number and if none, enter "0".)

% UF Faculty/Staff, Students, or Patients

(Paid in a Personal Capacity)

0

% Gen Public/Corporations

0

% UF Departments

(Internal Billing)

0

% Academic Orgs/Other Universities

48

% UF Alumni

2

% UF Affiliates/DSO's

50

Total Percentage

(must equal 100)

100



Remember: The total must be 100%

40

40

Section I - Credit Card Providers and Sales Tax

- **Credit Card** accepted as a Form of Payment? List all providers
 - If you select “OTHER”, you must also enter a provider(s) name

5. Do you accept credit cards for this activity?

5a. Credit Card Provider(s) – Click the ADD button at right to list additional providers

Provider *
<input type="text" value="CASH NET"/>
<input type="text" value="PAYPAL"/>
<input type="text" value="OTHER"/>

- Do you charge **Sales Tax** for this activity?

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Section II – Potential UBI Exclusions

Questions regarding possible UBI exclusions:

- ✓ Involvement of UF students for their educational experience or credit
- ✓ Activity conducted primarily with volunteer workforce (>85%)
- ✓ Research/Research byproduct income

See our website for additional information on exclusions.

<http://www.fa.ufl.edu/directives/ubi-exclusions/>

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Section III – Rental and License Income

- If you rent real or tangible personal property to others, this section applies to you. Remember, examples include:
 - Real property: land, building, or space such as office, lab, warehouse, conference/meeting spaces
 - Personal property: furniture, supplies, equipment, books, clothing, computers, vehicles, boats, bicycles

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Section III – Rental and License Income

- If you do not rent to others, answer “no” to question #12, and the Form will skip the remaining questions in this section.

SECTION III – RENTAL/LICENSE INCOME

12. Is this activity generating revenues from rental/lease/licensing of either [real or tangible personal property](#) ?

**** SKIPPING AHEAD TO QUESTION #17 ****

SECTION IV – ADVERTISING / SPONSORSHIP INCOME

17. Is this activity generating revenues from [advertising](#) ?

See our website for additional information on rental income.

<http://www.fa.ufl.edu/directives/ubi-exclusions/>

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Section IV – Advertising & Sponsorship Income

- A “yes” answer prompts for additional explanation.

SECTION IV – ADVERTISING / SPONSORSHIP INCOME

17. Is this activity generating revenues from [advertising](#) ?

YES

17a. Describe how the revenue is being generated from advertising.

(250 char. max)

We have advertising on the side of our machines.

18. Is this activity generating revenues from a [sponsorship](#) ?

YES

18a. Describe how the revenue is being generated from sponsorship.

(250 char. max)

Sponsorships are available for annual events.

- If additional space is needed, please attach a document to the Form.

45

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Questionnaire Submission Options



Save and
Return Later

Submit to
Approver

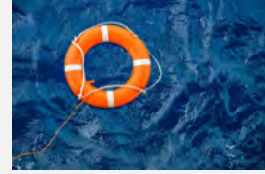
46

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Save and Return Later

Minimum Fields Required to Save:

1. UBI #
 2. Activity Category
 3. Primary Financial Contact (Submitter) UFID and the corresponding auto-populated contact email address field
- If any of these values are missing when you save the Form, you will be prompted to complete any missing fields.



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Option 1 - Save and Return Later

FORM SUBMISSION

Use the **Ready to Submit?** selection box below to choose a submission option:

1. If all questions have been answered and the form is ready to submit to your specified approver, select **"YES"** and then click the "Submit for Approval" button.
2. If you need to save the form so you can return to complete it later, select **"NO"** and then click the "SAVE" button.

Ready to Submit ? *

NO

Attach UBI Supporting Documentation

SAVE

48

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Attachments

FORM SUBMISSION

Use the **Ready to Submit?** selection box below to choose a submission option:

1. If all questions have been answered and the form is ready to submit to your specified approver, select **"YES"** and then click the "Submit for Approval" button.
2. If you need to save the form so you can return to complete it later, select **"NO"** and then click the "SAVE" button.

Ready to Submit ?*

NO

SAVE

Attach UBI Supporting Documentation

- You may also attach supporting documentation to your Form, such as:
 - Copies of contracts or agreements
 - More detailed activity descriptions
 - Financial documentation

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Option 2 - Submit to Approver

FORM SUBMISSION

Use the **Ready to Submit?** selection box below to choose a submission option:

1. If all questions have been answered and the form is ready to submit to your specified approver, select **"YES"** and then click the "Submit for Approval" button.
2. If you need to save the form so you can return to complete it later, select **"NO"** and then click the "SAVE" button.

Ready to Submit ?*

YES

Submit for Approval

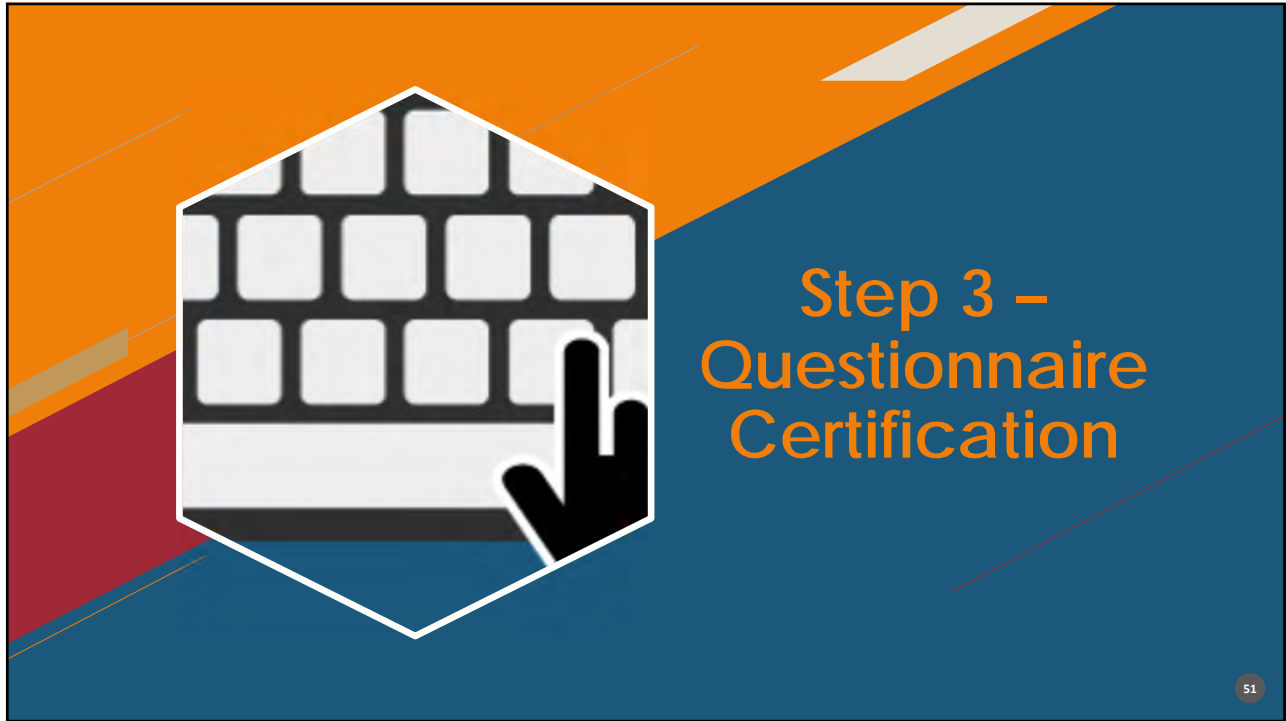
Attach UBI Supporting Documentation



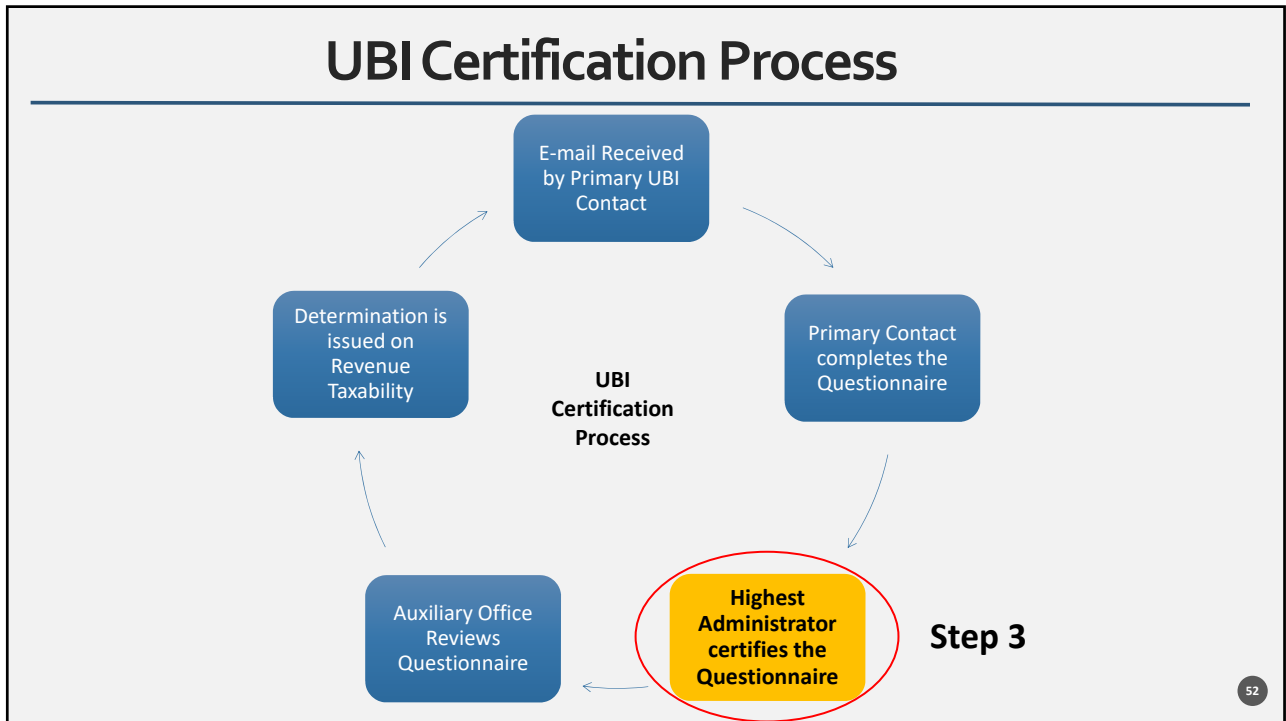
Remember: All questions must be answered to **Submit** for final approval

50

50



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Approver Certification Process



E-mail

Approver Receives a Request to Certify

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"Request to Certify" E-mail

ubi-tax@ad.ufl.edu
Auxiliary has Received Your... 8:55 AM
Thank you for submitting

Kuhl,Brian J has submitted an Unrelated Business Income (UBI) Questionnaire that **needs your review and certification** for the activity below.

Form #	UBI #	UBI Description	Activity
1042	9999	KUHL TEST COM	Other

You can access the information submitted in the **UBI Questionnaire and Certification** by clicking the link below. You will be asked to authenticate with your Gatorlink credentials.

<https://docs.erp.ufl.edu/appnet/Workflow/WFLogn.aspx?LifeCycleID=213&QuestionID=361&DocID=34548318>

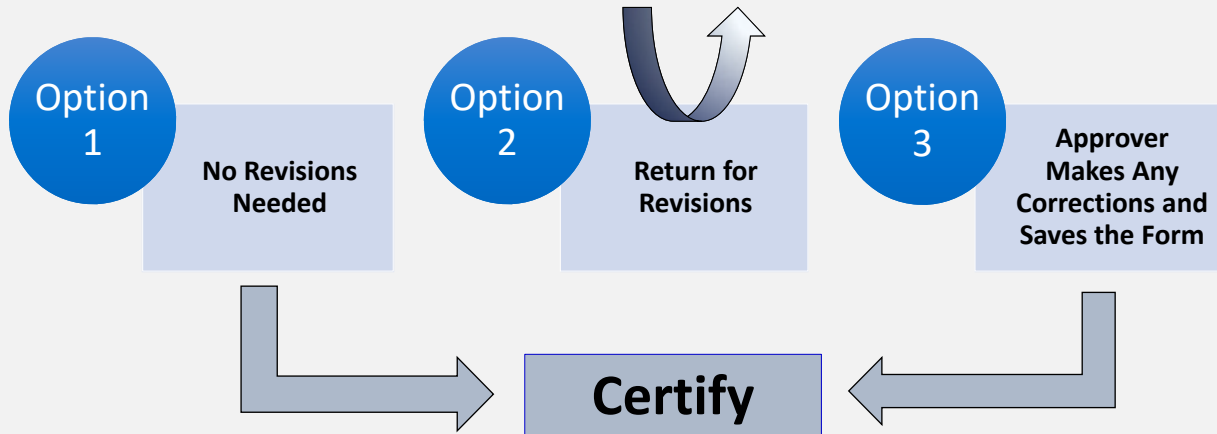
Options for Review:

- If the information is correct, please certify the questionnaire by clicking the "Certify" button above the form.
- If the information is incorrect, please click the "Needs Revision(s)" button to return the form to the submitter for corrections. Once the form is approved, it will be forwarded to the Auxiliary Accounting Team.

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Three Approver Actions



55

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Certification Form – Approver View

UBI Questionnaire 2020 - Form 20369 - UBI# 9999 (CORE OFFICE TESTING) - Lab Activities - 10/2/2 - Internet Explorer

OnBase

Inbox

Drag a column header here to group by that column:

FORM #	UBI #	FORM STATUS	ACTIVITY CATEGORY	DEPT ID#	FUND#	ACCOUNT #	REVENUE BALANCE
20369	9999	AWAITING DIRECTOR APPROVAL	Lab Activities	29010714	143	469000	22,224.22

No items to display

Items: 1 of 5

Certify
 Needs Revision (x)

Unrelated Business Income (UBI) Questionnaire & Certification

UF Finance and Accounting
University of Florida

BEFORE YOU BEGIN:

- ▶ Allow about 15 minutes to complete this form.
- ▶ Submission instructions are at the bottom. You can choose to answer all the questions now or save your progress and return later. In either case, you will be emailed a link to the form for your reference.

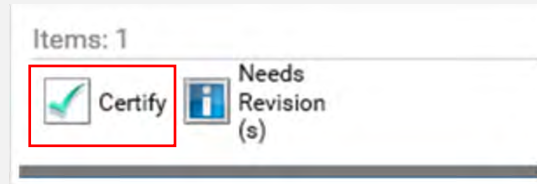
Form # 20369 Form Status AWAITING DIRECTOR APPROVAL

Activity Details

56

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Approver Option 1 – No Revisions Needed



Items: 1

Certify Needs Revision(s)

By selecting the “Certify” button, the approver certifies that the information provided about the activity is correct.

Note: College of Medicine departments (29%) also have an automated **Secondary Approver** routing step.

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Approver Option 2 – Return for Revisions

1

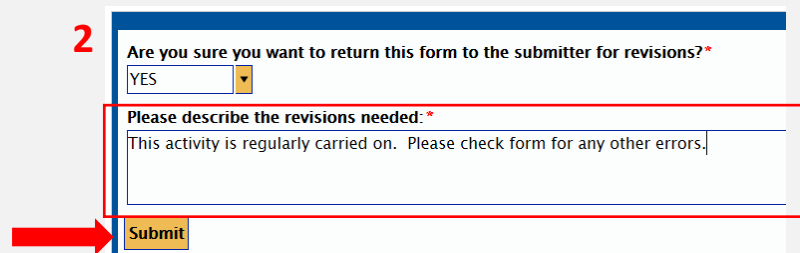


Certify Needs Revision(s)

The “Needs Revision(s)” button sends the current Form back to the submitter and allows for a **note** of what revisions are needed.

The submitter receives an e-mail notification that includes this revisions **note**, along with a direct link to the Form to make the changes.

2



Are you sure you want to return this form to the submitter for revisions?*

YES

Please describe the revisions needed: *

This activity is regularly carried on. Please check form for any other errors.

Submit

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“Returned for Revisions” E-mail

The Unrelated Business Income (UBI) Questionnaire and Certification has been returned for revisions for the activity below:

Form #	UBI #	UBI Description	Activity
47	9997	UNIVERSITY LAB SERVICES	Lab Activities

Revision Reason: This activity is regularly carried on. Please check form for any other errors. ←

You can access the information submitted in the **UBI Questionnaire and Certification** form by clicking on the link below:

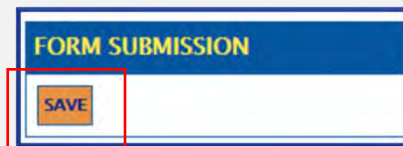
<https://docs.erp.ufl.edu/appnet/Workflow/WFLogin.aspx?LifeCycleID=213&QueueID=340&DocID=25950306>

59

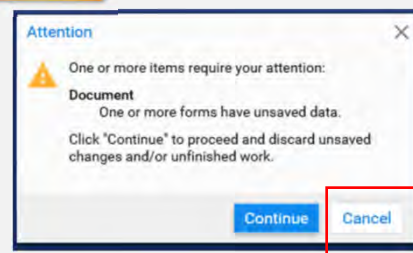
59

Approver Option 3 - Make Changes

- The Approver may make changes directly to the Questionnaire.
- **The Approver must first Save a changed Form before certifying it.**



Error message if the changed Form has not first been saved



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Retrieving Saved Forms

Use your E-mail notification link or the UBI Website



- Only Forms where you are listed as the **Primary Contact or Certifier** are available to you.

AUX-UBI FISCAL YEAR ENDED	AUX-UBI FORM #	AUX-FSEA #	AUX-FSEA NAME	AUX-FSEA/UBI ACTIVITY CATEGORY
2021	210593	2259	AG-FOOD / RESOURCES ECONOMICS	Professional Services
2021	210588	2273	EXTENSION ADMINISTRATION	Conferences/Training/Workshops

- Forms for multiple Fiscal Years may be displayed
- FY2023 Form numbers begin with “23#####”
- Prior-year Forms may be viewed in “read-only” mode
- You may apply filters or re-sort these columns, if needed

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Certification Due Date

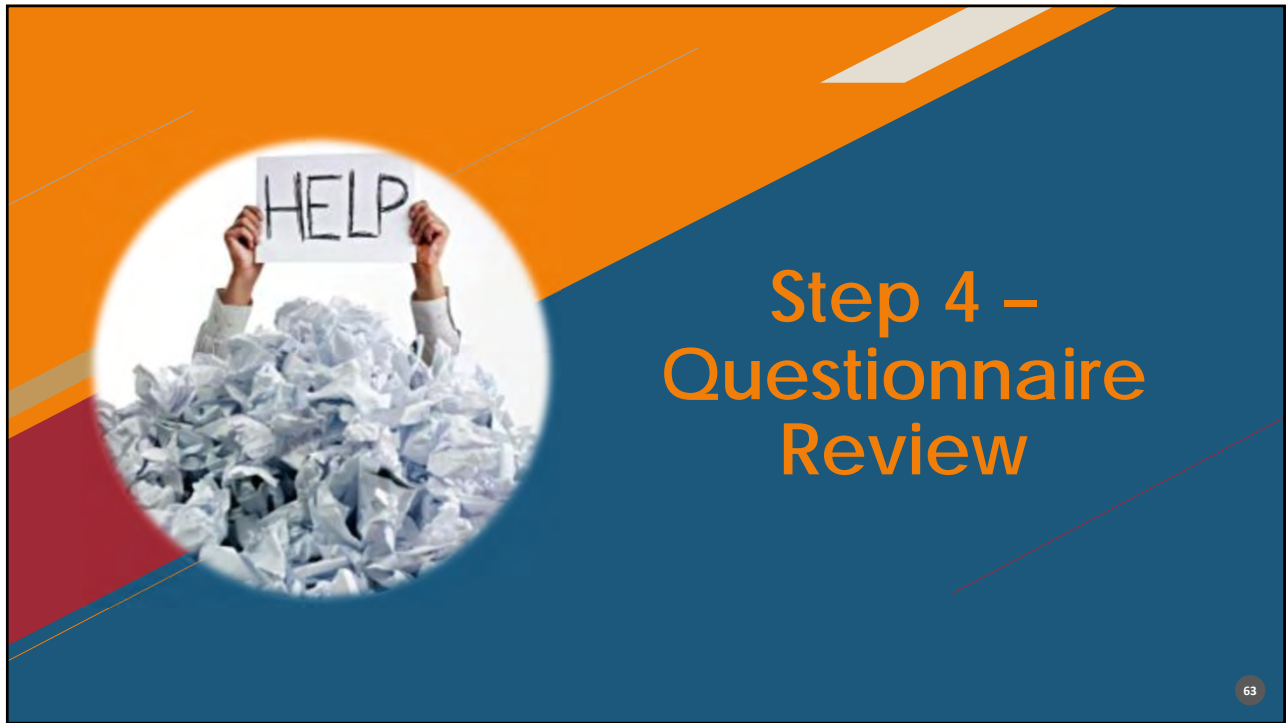
- The UBI Questionnaires and Certifications must be completed by **November 1, 2023**



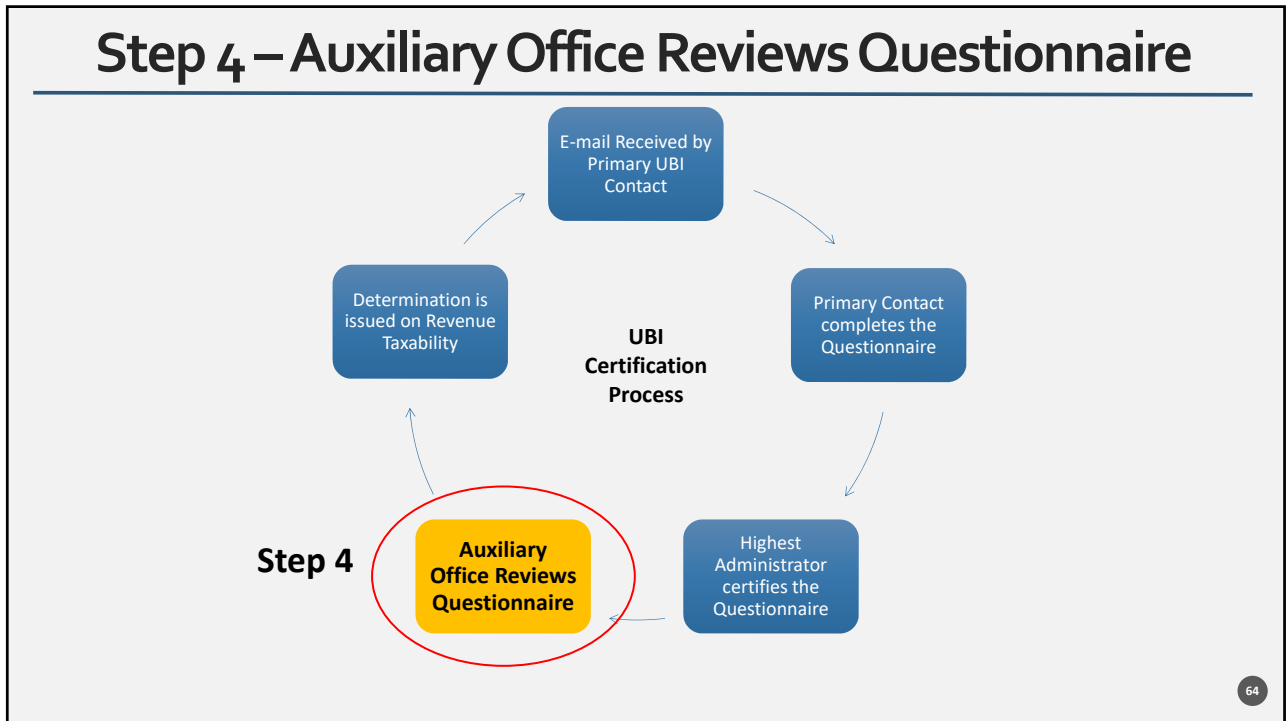
November 2023						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

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Auxiliary Office



- Reviews submitted Questionnaires
- Requests additional information or clarification
- May return Forms to submitters for revision

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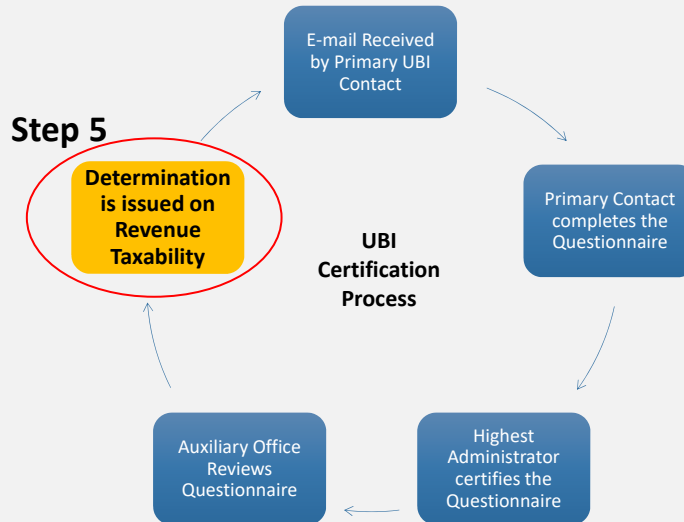
A 3D white figure is shown from the side, carrying large, yellow 3D letters that spell out "TAX" on its back. The figure is walking towards the right. The scene is set within a white circular frame. The background of the slide is a mix of orange and blue geometric shapes.

Step 5 –
Determine
Revenue
Taxability

66

66

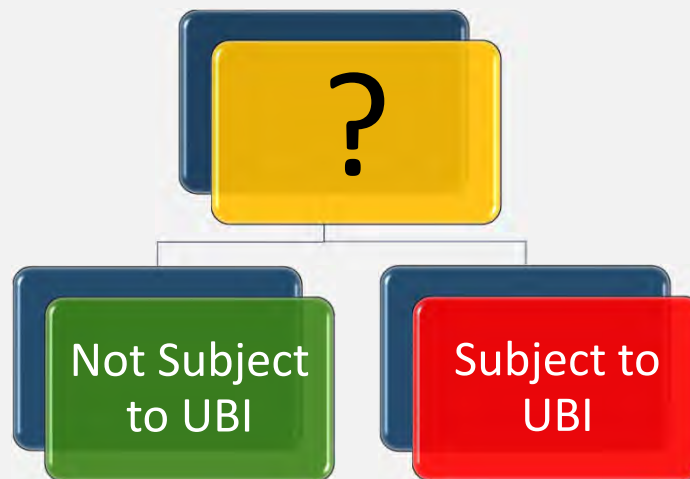
Step 5 – UBI Determination Issued



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UBI Determination



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"Revenue Not Subject to UBI" E-mail

ubi-tax@ad.ufl.edu
 UBI Tax Determination - Fo...
 The Unrelated Business

12:52 PM

Finance & Accounting
 UNIVERSITY of FLORIDA

The Unrelated Business Income (UBI) Questionnaire and Certification you submitted for the fiscal year ending June 30, 2023 has been reviewed by Auxiliary Accounting for the activity below:

Form #	UBI #	UBI Description	Activity
230101	9999	CORE OFFICE TESTING	Hotel/Dormitory/Sleeping Facilities

Based on your responses and any supporting documentation, this activity is deemed **not subject to unrelated business income taxation (UBIT) for fiscal year 2023** based on current Internal Revenue Service (IRS) guidelines.

This email confirms that the required reporting for this activity and year is now complete, and **no further action is required.**

If the business model or activities you provided changes, or if your department engages in new activities that have not already been reviewed by us, please notify Auxiliary Accounting at ubi-tax@ad.ufl.edu.

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"Revenue Subject to UBI" E-mail

ubi-tax@ad.ufl.edu
 Your Activity is subject UBI ...
 The Unrelated Business

12:53 PM

Finance & Accounting
 UNIVERSITY of FLORIDA

The Unrelated Business Income (UBI) Questionnaire and Certification for the fiscal year ending June 30, 2023 has been reviewed by Auxiliary Accounting for the activity below:

Form #	UBI #	UBI Description	Activity
230105	9999	CORE OFFICE TESTING - KUHL	Hotel/Dormitory/Sleeping Facilities

Based on the responses and any additional documentation, we determine that this activity **may be subject to unrelated business income taxation (UBIT) for the fiscal year.**

1. Please email the relevant financial data for the activity using the Excel [UBI Financial Statement Template](#) to ubi-tax@ad.ufl.edu. The template is available on the [UBI Website](#).
2. Submit your financial data, including any supporting documentation, no later than **November 1, 2023**.
3. After reviewing the financial data and any additional questions, Auxiliary Accounting will notify you regarding the final determination.
4. Should the activity generate a net profit for the year, we will request your chartfield information to assess the corresponding Federal and Florida taxes.

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Revenue **Subject** to UBI

- UBI Financial Statement Workbook must be submitted



Workbook Deadline: November 1, 2023

- Template available on the UBI Website

<http://www.fa.ufl.edu/directives/ubi-questionnaire-and-certification/>

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Automated E-mail Reminders

- If you start and **Save** a Form, but do not Submit for approval
 every **7 days**
- Needs Review/Approval by the Senior Departmental Approver
 every **7 days**
- UBI Form Returned for Revisions
 every **3 days**
- Awaiting UBI Financial Statement Workbook
 every **7 days**



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Polling Question #5 - CPE

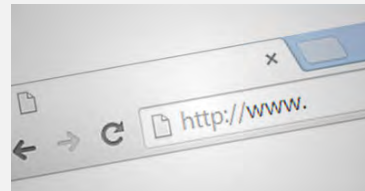
If you would like to receive CPE credit for attending today's training, please respond below or send your Name and "CPE" in the Chat

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Resources – UBI Website

- UBI Training Materials (will include the Zoom recording)
- Sample completed Questionnaire
- Step-by-Step Guide
- Detailed explanation for each UBI Certification question
- Frequently Asked Questions



<http://www.fa.ufl.edu/directives/ubi-questionnaire-and-certification/>

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YOU Make the Difference!

Each Correctly Completed
Questionnaire



Fiscal Compliance for



UBI Certification Training 2023

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How can we help?

We welcome your feedback and suggestions to improve the process



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Auxiliary & Tax Services



Beth Groff
Associate Controller



Alexander Hernandez
Accountant III



Brian Kuhl
Tax Director



Doris Flores
Accountant III

Thank You!

Sign up for ListServ:

UF-AUX-CONTACTS-L

Phone: (352)294-7264

E-mail: ubi-tax@ad.ufl.edu

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