

# PROCEDURE

Effective Date: 5/21/07

Approved By: Vice President George Pierce

Authority: POL-U5320.11 – Managing University Tax Liability

Cancels:

See Also:

## **PRO-U5320.11B      DETERMINING TAX IMPACT OF ACTIVITIES**

**Definitions:**

Sales tax – refers to the amount of tax due to the Department of Revenue (DOR) on sales of tangible and other items to the public.

Unrelated business income tax (UBIT) – refers to the tax due to the Internal Revenue Service (IRS) on revenue earned on activities not related to the University’s mission.

**Action by:**

**Action:**

Financial Manager

1. **Contacts** Accounting Services when initiating new revenue generating activities to determine taxability.

2. **Provides** Accounting Services with requested information regarding new revenue generating activity.

Financial Reporting  
Fiscal Analyst 4

3. **Researches** and **determines** taxability of activity when contacted by departments. Research consists of:

- Contacting the federal and state governments
- Researching rules and regulations
- Consulting outside specialists

Accounting Director

4. **Reviews** and **approves** tax information supplied to departments.

Financial Reporting  
Fiscal Analyst 4

5. **Informs** departments of taxability of new activity and provides assistance with proper recording of revenue.

6. **Completes** e-sign forms to create new account codes if needed to properly record revenue.

Accounting Director

7. **Reviews** and **approves** e-sign forms to create new account codes to properly record revenue.

Accounting Services  
Fiscal Technician 3

8. **Creates** new account codes in financial repository and locks e-sign form.

Financial Reporting  
Fiscal Analyst 4

9. **Monitors** activity in system to identify new revenue streams and activities potentially subject to tax.