

## **University of Kentucky Revenue Producing Activities Questionnaire**

To request approval of a departmental revenue producing activity:

- 1 Complete the attached questionnaire in its entirety.
- 2 Attach business plan supporting how rates were determined and how they will be applied.
- 3 Submit the signed questionnaire, rate schedules, budget, and business plan to your campus business officer for approval.
- 4 Please provide the name of a person that can be contacted for additional information concerning this revenue producing activity.

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

E-mail address \_\_\_\_\_

Location of activity \_\_\_\_\_

Responsibility Center Name and Department \_\_\_\_\_

\_\_\_\_\_

Proposed Account Manager \_\_\_\_\_

**\*\*NOTE: All incoming funds must be deposited in an approved university account and recorded with the appropriate general ledger account(s) and object code(s).**

***Department Fiscal Officer Approval*** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Date** \_\_\_\_\_

***VP/Dean/or Director Approval*** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Date** \_\_\_\_\_

***Area Fiscal Officer Approval*** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Date** \_\_\_\_\_

***University Financial Services Final Approval*** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Date** \_\_\_\_\_

The following questions will be used to determine under what general ledger code the revenue producing activity should be established and if it could be subject to UBIT:

1. **Expected name of your activity:** \_\_\_\_\_

Please describe the purpose and nature of the revenue producing activity you would like to set up. If this activity is a change to an existing activity, please describe the change in detail:

**Desired starting date for your revenue producing activity:** \_\_\_\_\_

**List cost center if known:** \_\_\_\_\_

**Activity Type**

Check the category(s) that most closely characterize the activity described in the request:

- Dept professional/consulting services fee
- Sale of support/administrative services
- Testing of equipment/product
- Sale of goods

**If there are to be goods sold, will the goods sold be licensed goods (UK logo)?**

**Yes      No**

- Sale of food & beverage
- Laboratory testing services
- Sale of biological materials
- Advertising
- Journals
- Conferences and workshops (If "checked", please complete the following questions)

**Will registration fees be collected? Yes      No**

**If registration fees are being collected for your activity, describe your collection method(s) in detail below:**

2. **Size of activity** (estimated gross annual revenues): \_\_\_\_\_

**3. Customers:**

**a) What percentage of the sales is expected to be made to (*total should equal 100%*):**

- \_\_\_\_\_ Internal (UK accounts)
- \_\_\_\_\_ UK employees (faculty and staff)
- \_\_\_\_\_ UK students
- \_\_\_\_\_ Affiliated entities (UKRF, Boone Center, etc.)
- \_\_\_\_\_ General Public
- \_\_\_\_\_ Retail Businesses
- \_\_\_\_\_ Wholesale Businesses
- \_\_\_\_\_ Governmental entities
- \_\_\_\_\_ Other tax-exempt entities
- \_\_\_\_\_ **Total**

**b) What percentage of the sales is expected to be made to (*total should equal 100%*):**

- \_\_\_\_\_ Customers within the state of Kentucky
- \_\_\_\_\_ Customers outside the state of Kentucky
- \_\_\_\_\_ Total

**4. Will food and/or beverages be served during the course of your activity?** Yes      No

Will alcoholic beverages be served? Yes      No

**Please list the caterer/vendor(s):**

**5. Vendor (hotel, transportation, etc.):**

Will the activity be self-operated or will an external vendor be used? \_\_\_\_\_

What is the nature of the compensation arrangement between UK and the third party?

\_\_\_\_\_

*If an external vendor is used, Purchasing needs to be involved in the negotiations.*

**6. Space:**

In which building on your campus will this activity take place? \_\_\_\_\_

Is this space assigned to your department? Yes      No

Does this space require modifications or remodeling for use? Yes      No

    If "Yes", have you submitted a Job Order Request for Services form? Yes      No

Will space be permanently converted? Yes      No

Will any activities be conducted outdoors? Yes      No

Do you intend to charge for use of space? Yes      No

Will a vendor conduct this activity for you in a campus space? Yes      No

Do you plan to conduct this activity in an off-campus space? Yes      No

*If any external vendor is occupying University space, Office of Purchasing and Real Estate Services Office need to be involved in the negotiations. See BPM      on Use of University Property for Non-Commercial and Commercial Purposes.*

**7. User Rates/Prices:**

What price(s) will you charge for products or services?

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If you have a printed price schedule, please attach a copy.

The business plan must include calculations showing how you arrived at your rates (use business plan template or service center rate form)

Describe proposed method for invoicing and accounting for outstanding receivable amounts:

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8. **Sale of printed material:**

If this activity involves the sale of printed material, is any copyrighted material included?

Yes      No      NA

If yes, have the proper copyright releases been obtained for the material? Yes      No

\_\_\_\_\_ *If the activity involves the sale of printed material, Purchasing needs to be involved in the negotiations.*

9. **Self-supporting or subsidized?**

Will this activity be self-supporting with all costs recovered through sales?

Yes      No

If no, what fund source(s) or account(s) will be used for the subsidy?

It is understood that all deficits are the responsibility of the unit/RC \_\_\_\_\_ Agreed  
*Initial*

10. **Can this activity and all related business transactions be completed within one fiscal year?**

Yes      No

If your customers will include the general public, other universities, corporations, and/or non-profits, please complete questions 11 - 16. These questions will be used to help determine if **Unrelated Business Taxable Income** will be generated by the activity.

11. **Regularly Carried On**

**a) Would you consider that your business with the general public, corporations, etc. will be recurring on a regular basis?**

Yes      No

(An activity should not be considered "regularly carried on" if it is on a very infrequent basis or for a short period of time during the year.)

**b) Will sales be conducted:**

Daily

Annually

Weekly

Greater than one fiscal

Monthly

ear Other (describe)

12. **Which of the following tax-exempt purposes does the sale of the goods or services help fulfill? Production of income to fund university programs is not sufficient.** (Please check all that apply.)

Teaching and instruction

Research is being conducted (i.e. not solely product testing for industry or routine lab testing).

Economic Development within the state of Kentucky

Medical and Health Care Related

Public Service

Activity is performed for the convenience of University students, faculty, or staff.

Other educational or governmental purpose

**For every purpose chosen, please explain:**

13. **Is revenue generated from the sale of advertisements or corporate sponsorships in a University publication, broadcast, or event?**

Yes      No

(Income from the sale of advertising is considered to be unrelated business income. There are tax reporting requirements associated with the generation of unrelated business income.)

*If the activity involves the sale of advertisement, Purchasing needs to be involved in the negotiations.*

14. **Will this activity involve e-business** (accepting payment securely over the Internet)?

Yes      No

*If e-business is involved, Treasury Operations must approve the process.*

15. **If you are currently collecting income for this activity, what is your process/procedure (check all that apply)? Please include a copy of your current invoice.**

Payment Collection through Web-based Environment

Payment Collection on Site

Payment via Lock Box

Payment through U.S. Mail

Cash

Checks

Credit/Debit Cards

Internal Service Billings through JV

Other (describe)

16. **Please identify the process of payment collection you would like to use for this activity:**

Internal/Service billing to another UK account (Describe interface capability)

Electronic transfer:

Domestic transfer using the Automated Clearing House (ACH) system

Wire transfer (domestic or international) using the Federal Reserve Fedline system

Payment cards:

In-person (over the counter or by telephone, US mail)

Via the internet using \_\_\_\_\_ service (.html)

Checks:

In-person (over the counter or by U.S. mail)

Via a bank Lock Box

Cash (**not recommended due to inherent risks and costs of handling**):

In-person

Other (please describe):

**To be completed by initiating unit**

**Activity risk characteristics**

**Yes No**

- A.** Activity involves testing or creating a product that could be a subject to product liability claims.
- B.** An exclusive contractual relationship with a vendor or third party will be required.
- C.** The activity will involve intellectual property such as trademarks, copyrights, patents, trade secrets or other proprietary information and materials.
- D.** The activity will require a non-compete agreement/non-employment agreement.
- E.** The activity will require confidentiality commitment/nondisclosure agreement.
- F.** University personnel involved with the activity has an interest in a company that may be affected by this activity.
- G.** The use of the University's name, logo, or wordmark by a third party is being proposed.
- H.** This activity will involve human subjects, laboratory animals, radiological hazards, biohazards, recombinant DNA, or the use of human biological material.
- I.** Federal equipment or state appropriations will be used in this activity.
- J.** Start up funds will be provided fully or in part by a Contract & Grant account.
- K.** Potentially subject to federal Unrelated Business Income Tax (UBIT) and/or Kentucky state sales or use tax.
- L.** Gross revenues from this activity are expected to exceed \$50,000 annually.
- M.** Are the revenue producing activities being conducted in a building that was financed with university bonds?
- N.** Are students engaged in producing the goods or services as part of their academic requirements?