




The University Corporation
Research, Investments and Commercial Services
California State University, Northridge

Procedure Number: AC027

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John Griffin, Chief Financial Officer

Title Procedure for tracking and reporting business activities subject to Unrelated Business Income Tax

Statement

This procedure documents the collection and reporting of business activities subject to Unrelated Business Income Tax (UBIT) at The University Corporation. This information is required for Form 990-T preparation.

Purpose

To provide The University Corporation (TUC) with a procedure that details the process by which UBIT information will be collected and reported.

Procedure

The University Corporation in conjunction with our external auditors has identified business activities which are subject to UBIT. Examples of activities subject to UBIT include offsite catering for a non campus group, Sunday brunches, and commission income generated from off campus Freudian Sip sales (@ Pierce College and Cal State Channel Islands). Accounting personnel will coordinate with all applicable departments for data identification and collection.

The single largest department with UBIT related activity is the Orange Grove Bistro (OGB). The OGB conducts many activities with non campus groups and individuals during the year and records these activities on banquet event orders (BEOs). The following procedure will be initiated to capture and report OGB and other Food Service UBIT related activities:

1. At the end of each quarter the Accountant will run a PeopleSoft system query to extract BEO and other UBIT related information out of the general ledger. This report will be forwarded to the respective Food Service unit supervisor for review.
2. Food Service unit supervisors will validate the report information and communicate any changes to accounting.
3. Accounting will input all necessary changes.
4. At the end of the year, TUC will electronically forward UBIT revenue and associated expense information to our external auditors for Form 990-T preparation.