



## UBIT Essentials

Tracy S. Paglia  
Partner, Moss Adams LLP

Kirsten Muller  
Assistant Tax Director, University of Minnesota

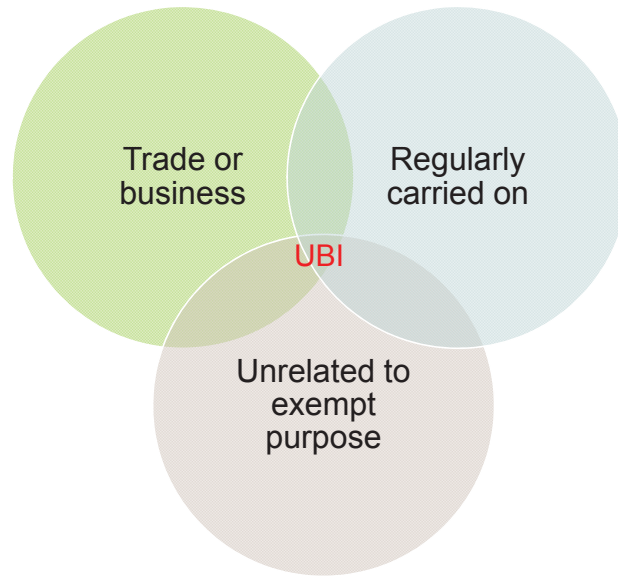
## Agenda

---

- Unrelated Business Income (“UBI”) overview
- Common Sources of UBI at Universities
- Rental Activity Analysis
- Summer Sports Camps Analysis
- Recreational Facilities Analysis
- Professional Entertainment Event Analysis
- Advertising and Sponsorship Analysis



## UBI Overview



2



## UBI Overview



1. Profit motive
  2. Loss activity
- History of NOLs?
  - Changes in manner of conducting the activity?
  - Hobby loss rules
  - Net position before depreciation and charitable contribution deduction

3



## UBI Overview

---

Regularly  
carried on

- Frequency and continuity
- Similar to commercial activity



## UBI Overview

---

1. Contribute importantly to the exempt purpose
  2. Substantial and causal relationship
- Dual use property
  - Exploitation of exempt activity

Unrelated to  
exempt  
purpose



Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: UBIT Essentials

Also available as part of the eCourse

[2018 Higher Education Taxation Essentials eConference](#)

First appeared as part of the conference materials for the  
2018 Higher Education Taxation Essentials session  
"UBIT Essentials"