



## **Taxes on Unrelated Business Income**

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### **Policy Statement**

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Adelphi University is a nonsectarian educational corporation with a tax-exempt purpose as stipulated within its Articles of Incorporation that includes all rights, powers and privileges that are conferred upon educational institutions under the laws of the State of New York.

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### **Reason for Policy**

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In accordance with Internal Revenue Code Section 501(c)(3), Adelphi University is a tax-exempt organization. However, tax-exempt organizations are subject to tax on unrelated business income, if the organization regularly generates income from a trade or business which is NOT substantially related to the performance of the organization's exempt purpose or function.

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### **Who is Governed by this Policy**

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Staff

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### **Policy**

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Refer to the "IRS Guidelines: Taxes on Unrelated business expenses (UBIT)" (page 32) of the Financial and Administrative Reference Guide (FARG) 2017.

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## Definitions

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This policy does not have definitions associated with it at this time. Upon periodic policy review this area will be evaluated to determine if additional information is needed to supplement the policy.

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## Procedures

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This policy does not have procedures associated with it at this time. Upon periodic policy review this area will be evaluated to determine if additional information is needed to supplement the policy.

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## Forms

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This policy does not have forms associated with it at this time. Upon periodic policy review this area will be evaluated to determine if additional information is needed to supplement the policy.

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## Related Information

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This policy does not have related information at this time. Upon periodic policy review this area will be evaluated to determine if additional information is needed to supplement the policy.

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## Policy Owner

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Name: Robert DeCarlo, CFO

Office: Finance Office

Phone Number: (516) 877-3184

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## Contacts

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## **Document History**

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- Last Reviewed Date: 10/13/17
- Last Revised Date: 10/13/17
- Policy Origination Date: Not known

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## **Who Approved This Policy**

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- Robert DeCarlo
- Michael J. McLeod

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## **Tags**

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Financial Affairs, Staff