

Unrelated Business Income Tax (“UBIT”)

Special Circumstances and Guidelines

9. Summer Sport Camps

The University may conduct basketball, tennis, or other sports camps in summer. A summer sport camp will be treated as related if it is conducted as an educational or charitable activity.

For example:

- A summer camp operated for disadvantaged youths (Tech. Adv. Mem. 8020010).
- A camp that is part of the University’s educational program (Tech. Adv. Mem.8151005).
- A comp that runs for high school students (Tech. Adv. Mem 7908009), or
- A camp that provides instruction in sports to the general public (Rev. Rul. 77-365)

If a camp is not related to the University’s exempt purpose, it may still be possible to exclude the income under rental exclusion, depending on the degree and extent of the services provided. If the camp is leased to a third party and the University only makes the facilities available to the third party for a fixed amount that was not dependent on the income or profit from the individual’s operation of the camp, then the income is excludable rental income. On the other hand, if the lease calls for the University to provide services such as meal and maid services, then the camp will result in UBI (Rev. Rul. 80-297, 1982-2 CB196).