

USF Controller's Office

EBA Process – Educational Business Activities

Philosophy:

In accordance with effective internal control procedures and established accounting processes, as well as University regulations USF departments must request authority to conduct any revenue-producing activities that support the overall mission of the university.

Procedure:

An Educational Business Activity (EBA) is a revenue-producing activity that supports the overall mission of USF. Educational business activities are established and carried on only after they are approved by the University in accordance with operating procedures. An EBA may be either ongoing or a one-time activity with specific beginning and ending dates. Changes to an approved on-going EBA require approval either by modifying the existing EBA request or by submitting a new request marked "Revised".

Some revenue-producing activities do not require an EBA form. To determine if the activity requires an EBA, please review the following schedule: [Schedule of Educational Business Activities](#)

CRITERIA FOR AN EBA

Any proposed educational business activity or changes to an approved EBA activity at the University must be authorized by the appropriate Vice President or designee. The University Controller will then review the authorized Educational Business Activity to determine the appropriate operating mechanism, to ensure the fiscal integrity of the proposal, and to determine any related tax issues.

Each Educational Business Activity must meet the following three criteria:

1. The activity is deemed to be an integral part of the fulfillment of the institution's instruction, research, public service, campus support functions and other educational and support activities, without regard to profit.
2. The activity provides a good or service, at a reasonable price, on reasonable terms, and at a convenient location and time.
3. The activity is carried out for a) the primary benefit of the campus community; and/or b) the primary purpose of supporting the University's mission, with some regard for the needs of the total community.

Some educational business activities may generate revenue that falls within the Federal definition of unrelated business taxable income and is, therefore, subject to Federal income tax. Whether or not an educational business activity is the type that may produce unrelated business taxable income will be determined when reviewed by the University Controllers Office, and the department will be asked to coordinate additional detailed review with one of the University Tax Advisors.

EBAs are required in order to set up new FAST funds and Banner detail codes for student fees. All new student fees must be approved in advance by the University Board of Trustees, and a copy of the

approved resolution must be attached to the EBA request.

All educational business activities of the University operate within approved University accounts (including the University and Research Foundations and Alumni Association) and involve some degree of financial responsibility.

PROCESS TO REQUEST AN EBA

The following are suggestions for completing an Educational Business Activity Request:

1. The Cash Collections site must be identified before an EBA will be approved. If you do not know your approved Cash Collections site, please contact Cherie Carson at 974-7686 or carsonc@usf.edu.

2. On the Request to Operate an Educational Business Activity form

Item 4.a., Description of the Activities: should be carefully completed and reviewed. Delays in processing the authorized Request may be avoided by thoroughly completing this section of the Request to Establish an Educational Business Activity form. Any advertisements or flyers should be attached to the request to provide additional information about the activity. The Foundation will not process requests without this information attached.

Item 4.b., Support of the University's Mission: should be carefully reviewed to assure that the activity "enhances, promotes or supports the University's instruction, research, public service, campus support functions, and other educational and support functions in order to meet the needs of the students, faculty, staff and members of the public participating in University events and programs".

Item 7, Special Funding Sources: RIA funds may be appropriate for use, if the EBA is research related. If the EBA is closely related to another that has a surplus, the other fund may also be appropriate. Finally, E&G may be an appropriate source if the expenses are supporting education.

3. Carefully review the Budget Plan or Financial Plan attached to the Request for completeness, reasonableness, accuracy and assurance that expenditures do not exceed revenue. Also, a rate schedule(s) should be attached. Explain how any substantial projected cash accumulation in a single fiscal year will be used. If an activity is a business activity with outside customers, a [Business Plan should also be completed](#).

4. Assure that all appropriate signatures and approvals have been obtained. If any of the aforementioned information is not clear, please contact Cathryn Branch at ctbranch@usf.edu for [further clarification](#).

Appropriate Signatures - Forward completed EBA requests to the appropriate Dean or Director for review and approval. The Dean or Director will forward approved EBA requests to the appropriate Vice President for their review and approval. In cases of fund raising, recommended requests will be forwarded to the Vice President for Advancement. The Vice President will forward authorized proposals to the Controller's Office for review.

The Request to Operate an Educational Business Activity form and the Business Plan for Educational Business Activity form must be completed and submitted to the appropriate Vice President's office for review and approval prior to the beginning of the activity. No activity is approved to occur prior to the completion of the EBA review and approval processes.

MODIFYING AN EXISTING EBA

Approved Educational Business Activities frequently change the scope or nature of the activity conducted in the account established under this approval. Accountant Officers are required to update their Request to Operate an Educational Business Activity (EBA) form any time there is a material change in the scope or nature of the activity. Examples of material changes would include a new activity, a new group of customers, or new good/service provided by the activity. Accountable Officers must either copy the original request and attach an addendum describing the change, or complete a new Request to Operate an Educational Business Activity and route it through the same review and approval process as an original request. Accountable officers must complete the section at the top of the Request form with the account number and title to assure that approval information is properly updated.

RETENTION

When the activity of an EBA has ended, all supporting documentation should be maintained in accordance with Florida Statutes and/or Federal guidelines.

DEPARTMENTAL POLICIES AND PROCEDURES

All departments should maintain procedures on EBA operations for their areas. Approved EBA's will be required to update forms every 5 years in an effort to keep centralized documentation current.

RECONCILIATION

Departments should perform monthly reconciliation of EBA financial activity to ensure anticipated funds are received and that these accounts are not overspent. If the EBA account has a forecasted deficit it should be cleared using the special funds discussed previously in this document (see Item 7 above).

Contacts and Forms

Direct questions concerning existing or new EBA to [UCO](#)

To request a new EBA or modify an existing EBA, use the [EBA Request form](#).

For more detailed information, consult [Definitions: Educational Business Activities](#).

Review the [Schedule of Educational Business Activities](#).

Review the [Financial Practices and Glossary of Terms](#).

Review the [EBA Business Plan](#).

For any tax questions contact UCOTaxServices@usf.edu