

# Index

- Accountable plan, §§ 8.6, 8.12(a)
- Accountants
  - independent contractors, § 4.2(f)(iv)
  - tax-related work and attorney-client privilege, § 10.12(a)(v)
- Acquisition indebtedness. *See* Unrelated debt-financed income rules
- Adjunct faculty. *See also* Faculty
  - as independent contractors, § 4.2(f)(i)
- Advertising
  - income and expense calculations, § 3.3(c)
  - and Internet fundraising, § 3.22
  - overview, § 3.3(a)
  - sponsorships, §§ 3.3(a), 3.4
  - unrelated business income, §§ 2.1(d), 3.3(a)–(c)
- Affiliated organizations. *See* Related entities
- Affinity credit cards, §§ 2.2(d)(i)–(iv), 3.13, 3.22
- Agency relationship
  - royalties, §§ 2.1(d), 2.2(d)(iii)
  - and unrelated business income activities, § 2.1(d)
- Airplanes, college or university owned, § 5.3(b)
- Aliens, nonresident. *See* Nonresident aliens
- Alumni
  - associations. *See* Related entities
  - charitable contribution deductions, § 6.3(a)
  - and convenience exception, §§ 2.2(h), 3.1, 3.17
  - recreational facilities, use of, §§ 3.10, 3.17
  - travel tours, § 3.6. *See also* Travel tours
  - unrelated business income, §§ 2.2(h), 3.17
- Announcements and notices, tax research, § 1.3(f)
- Annuities
  - charitable remainder annuity trust, § 6.9
  - gift annuities, § 6.10
  - personal benefit contract, § 6.11
  - tax-deferred. *See* Section 403(b)
  - retirement plans
  - unrelated business income and controlled organizations, §§ 2.3, 2.3(a), 2.3(b)
  - and unrelated debt-financed income rules, § 2.5(b)
- Anticipatory assignment of income doctrine, § 4.6(e)
- Appeals office process, §§ 10.5, 10.10
- Arbitrage and administrative costs
  - tax-exempt bonds, § 9.4(g)
- Assets
  - sale of to insiders, § 9.1(b)(iii)
- Athletes, foreign, §§ 7.6, 8.9
- Athletic events
  - charitable contribution in return for tickets, § 6.4(c)
  - and fringe benefits, §§ 5.2(a), 5.3(r)
  - unrelated business income, § 3.19
- Athletic facilities. *See* Recreational facilities
- Athletic scholarships, §§ 7.6, 8.9
- Attorney-client privilege
  - dissemination of privileged information, § 10.12(a)(iv)
  - elements of, § 10.12(a)(i)
  - guidelines, § 10.12(c)
  - importance of, § 10.12
  - and in-house university counsel, § 10.12(a)(ii)
  - and tax-related work by accountants, § 10.12(a)(v)
  - waiver, § 10.12(a)(iii)

## INDEX

- Attorneys' fees
  - paid to plaintiff, taxes on, § 4.6(e)
- Audits
  - appeals office process, §§ 10.5, 10.10
  - areas of focus, § 10.3(e)
  - attorney-client privilege. *See* Attorney-client privilege
  - CEP audit, §§ 1.1, 10.1, 10.2, 10.3(d)
  - and classification settlement program, § 4.2(c)
  - closing agreements, § 10.7
  - communications agreement, § 10.2
  - conclusion, § 10.5
  - findings, presentation of, § 10.4
  - Form 5701 (Notice of Proposed Adjustment), § 10.4
  - hospitals, § 1.1
  - independent contractor versus employee classification, §§ 4.2, 4.2(b)(vi)
  - Information Document Request (IDR), §§ 10.3(a), 10.3(e), 10.9
  - initial meeting, § 10.2
  - and intermediate sanctions, § 9.1(d)(xi)
  - interviews of personnel, § 10.3(b)
  - litigation, § 10.11
  - 90-day letter, §§ 10.10, 10.11
  - notice of, § 10.2
  - notice of deficiency, §§ 10.6, 10.10, 10.11
  - participating in, § 10.9
  - preparing for, § 10.9
  - privileges. *See* Attorney-client privilege; Work product privilege
  - procedure, § 10.3
  - requests for information on students, § 10.3(c)
  - settlements, § 10.10
  - statute of limitations, extending, §§ 10.5, 10.6
  - technical advice procedures, § 10.8
  - 30-day letter, § 10.10
  - tour of facilities, § 10.3(b)
  - types of, § 10.1
  - types of information requested during audit, §§ 10.3(d), 10.3(d)(i)–(iv)
  - work product privilege. *See* Work product privilege
- Automobiles, college or university owned, fringe benefits, §§ 5.1, 5.3(a)
- Awards, employee fringe benefits, §§ 5.1, 5.3(d), 5.3(l)
- Bargain sales and charitable contributions, § 6.7
- Bequests
  - sale of property acquired by, § 2.2(a)(i)
- Bonds, tax-exempt. *See* Tax-exempt bonds
- Bonuses
  - salary bonuses, § 9.1(b)(ii)
  - signing bonuses, §§ 4.6(f), 9.1(b)(ii)
- Bookstore operations
  - employee discounts, § 5.2(b)
  - unrelated business income, §§ 2.1(a)(ii), 2.1(b), 2.1(c), 2.2(h), 3.1
- Burden of proof
  - exclusive provider arrangement, § 3.4
  - foreign employees, payment of social security tax to home country, § 4.4(c)
  - independent contractor versus employee, § 4.2(b)(v)
  - presumption of reasonableness, § 9.1(d)(xii)
- Business expense deductions, §§ 2.6(a), 5.2(c), 5.3(c), 5.3(e), 5.3(g), 5.3(j), 5.3(q), 5.3(u)
- Business incubator activities
  - unrelated business income, §§ 3.7, 3.25
- Cafeterias and dining facilities
  - fringe benefits, §§ 5.1, 5.3(n)
- "Candidate for a degree" requirement, §§ 7.2, 7.2(b)
- Capital gains
  - real property, subdividing and improving, § 2.2(a)(ii)
  - sale of property, §§ 2.2(a)(i), 2.5(a)
  - stocks and securities, sale of, § 2.2(a)(iii)
  - unrelated business income exception, §§ 2.2(a), 2.2(a)(i)–(iii)

## INDEX

- Catering activities
  - unrelated business income, § 3.16
- Cell phones, § 5.3(j)
- CEP audits. *See* Coordinated Examination Program (CEP) audits
- Char-flip, § 6.11
- Charitable contribution deductions. *See also* Fundraising
  - agency issues, § 2.1(d)
  - antiabuse rules, § 6.6
  - bargain sales, § 6.7
  - bona fide transfer, § 6.2
  - “char-flip,” § 6.11
  - charitable split-dollar life insurance, § 6.11
  - conditional gifts, § 6.2
  - contributions made in trust, § 6.9
  - designated contributions, § 6.3(a)
  - donative intent (no benefit or consideration), §§ 6.4, 6.4(a)–(d)
  - foreign charitable and educational organizations, § 6.3(b)
  - gift annuities, § 6.10
  - gifts of property, § 6.2
  - intellectual property rights, § 6.5
  - Internet solicitation of contributions, § 3.22
  - low-cost items received in return, §§ 2.2(e), 6.4(d)
  - mandatory travel tour contributions, § 3.6(b)
  - overview, § 6.1
  - partial interest gifts, §§ 6.5, 6.8, 6.11
  - patents, § 6.5
  - permissible donees, §§ 6.3, 6.3(a)–(c)
  - pledges, § 6.2
  - substantiation and disclosure requirements, §§ 6.4(b), 6.6
  - and unrelated business income, § 2.6(e)(iii)
- Charitable remainder trusts
  - participation in endowment investment return, § 9.10
- Classification settlement program (CSP)
  - independent contractors, § 4.2(c)
- Closing agreements
  - audits, § 10.7
  - classification settlement program, § 4.2(c)
  - tax-exempt bonds, § 9.4(h)
- Club memberships
  - fringe benefits, § 5.3(u)
- Communication services
  - fringe benefits, § 5.3(j)
- Communications agreement
  - audits, § 10.2
- Community benefit
  - fitness centers, § 3.10
  - and unrelated business income, § 2.1(c)
- Community development organizations, § 3.25
- Compensation
  - employment taxes. *See* Employment taxes
  - highly compensated employees, §§ 5.2(g)(i), 7.4(b)
  - physicians, § 9.1(b)(ii)
  - reasonableness of and private inurement, §§ 3.11, 9.1(b)(ii)
  - scholarships and fellowships
    - distinguished, §§ 7.5, 7.5(a)–(e)
  - signing bonuses as wages, § 4.6(f)
  - and volunteer activities, § 2.2(g)
  - wages defined, §§ 4.2, 4.3(a), 4.6(d), 4.6(f)
- Computers
  - bookstore sales of, § 3.1
  - fringe benefits, §§ 5.2(a), 5.2(b), 5.3(c)
- Concerts. *See* Entertainment events, professional
- Concession sales
  - unrelated business income, § 3.15
- Conferences, meetings, and training programs
  - unrelated business income, § 3.18
- Consultants
  - independent contractors, § 4.2(f)(v)
- Continuing Professional Education (CPE) Texts, § 1.3(j)
- Contributions
  - pension plans, § 9.3(n)
  - section 403(b) retirement plans, §§ 9.3(f), 9.3(g), 9.3(g)(i), 9.3(g)(ii)

## INDEX

- Controlled organizations
  - bookstore operations, § 3.1
  - controlled foreign corporations, § 2.4
  - related entities, §§ 9.2(a), 9.2(b)
  - unrelated business income, §§ 2.3, 2.3(a), 2.3(b), 2.4
- Convenience exception
  - bookstore sales, § 3.1
  - concession sales, § 3.15
  - unrelated business income, § 2.2(h)
  - and unrelated debt-financed income rules, § 2.5(b)
- Coordinated Examination Program (CEP) audits, §§ 1.1, 10.1, 10.2, 10.3(d).  
*See also* Audits
- Corporate sponsorship
  - unrelated business income, §§ 3.3(a), 3.4, 3.22
- Cost allocations
  - indirect, documents relating to and IRS audits, § 10.3(d)(iii)
  - unrelated business income tax deductions, §§ 2.6(b), 2.6(c)
- Court cases, tax research, § 1.3(a)
- Court of Federal Claims, § 10.11
- Covenant not to compete
  - and “trade or business” requirement, § 2.1(a)(iv)
- Coverdale education savings accounts, §§ 9.8(b), 9.8(c)
- Credit cards. *See* Affinity credit cards
- Cumulative List of Organizations Described in Section 170(c) of the Internal Revenue Code of 1986* (Publication 78), § 6.3(c)
- Custodial accounts
  - section 403(b) retirement plans, § 9.3(e)
- De minimis fringe benefits, §§ 5.1, 5.2(d), 5.3(c), 5.3(k), 5.3(l), 5.3(m), 5.3(n), 5.3(r)
- De minimis services
  - and rental income, § 2.2(c)
- Debt-financed income, unrelated. *See* Unrelated debt-financed income rules
- Debtor-creditor relationship
  - recharacterized as partnership, § 9.1(g)(iii)
- Deductions
  - business expenses, §§ 2.6(a), 5.2(c), 5.3(c), 5.3(e), 5.3(g), 5.3(j), 5.3(q), 5.3(u)
  - charitable contributions. *See* Charitable contribution deductions
  - cost allocations, unrelated business income, §§ 2.6(b), 2.6(c)
  - depreciation, §§ 2.6(a), 2.6(b)
  - interest expense, § 2.6(a)
  - losses, unrelated business income activities, § 2.6(e)(i)
  - net operating loss, § 2.6(e)(ii)
  - specific deduction, unrelated business income tax, § 2.6(e)(iv)
  - student loan interest, § 9.8(d)
  - substantiation requirements, §§ 2.6(d), 5.3(a), 5.3(c), 5.3(g), 5.3(j)
  - unrelated business income tax, §§ 2.6(a)–(e)
- Deferred compensation
  - effective date of section 409A, § 4.8(b)
  - employment taxes, §§ 4.8, 4.8(a)–(d)
  - overview, § 4.8
  - reporting requirements, § 4.8(d)
  - section 409A plan requirements, § 4.8(a)
  - section 457 plans, §§ 4.8, 9.3(m)
  - termination or severance payment distinguished, § 4.6(a)
  - transitional rules, § 4.8(c)
- Defined benefit plans, § 9.3(n)
- Defined contribution plans, § 9.3(n)
  - section 403(b) plans treated as, § 9.3(g)(ii)
- Depreciation
  - deductions for, unrelated business income tax, §§ 2.6(a), 2.6(b)
  - recapture, § 2.2(a)
- Determination letters, tax research, § 1.3(h)
- Direction and control test, §§ 4.2, 4.2(a)(ii)
- Disclosure requirements
  - charitable contributions, § 6.6
  - Form 990, § 9.6
- Discounts, employee fringe benefits, §§ 5.1, 5.2(b), 5.2(g)(iii), 5.3(o), 5.3(r)

## INDEX

- Disqualified persons
  - intermediate sanctions, §§ 9.1, 9.1(d)(ii)–(iv), 9.1(d)(vi), 9.1(d)(vii)–(x), 9.1(d)(xii)
- Distributions
  - section 403(b) retirement plans, § 9.3(i)
  - section 409A deferred compensation plans, § 4.8(a)
  - section 457 deferred compensation plans, § 9.3(m)
- Dividends
  - unrelated business income exclusions, § 2.2(b)
- Documents
  - attorney-client privilege. *See* Attorney-client privilege
  - audit requests, § 10.2
  - external, § 10.3(d)(ii)
  - financial information, § 10.3(d)(iv)
  - Form 990 and Form 990-T, document disclosures, § 9.6
  - indirect cost allocations, § 10.3(d)(iii)
  - internal, § 10.3(d)(i)
  - travel tour documentation, § 3.6
  - work product privilege. *See* Work product privilege
- Domestic partners
  - fringe benefits, § 5.3(v)
  - and section 457 plans, § 9.3(m)
  - tuition benefits, § 7.4(a)
- Domestic services performed by students, FICA exemption, § 4.3(b)
- Donative intent
  - charitable contributions, §§ 6.4, 6.4(a)–(d)
- Donees
  - charitable contributions, §§ 6.3, 6.3(a)–(c)
- Dormitory rentals
  - unrelated business income, § 3.2
- Early retirement payments
  - employment taxes, §§ 4.6, 4.6(b)
- Education tax incentives
  - Coverdale education savings accounts, §§ 9.8(b), 9.8(c)
  - education income exclusion, § 9.8(b)
  - HOPE Scholarship, §§ 9.8(a), 9.8(b)
  - Lifetime Learning credit, §§ 9.8(a), 9.8(b)
  - state tuition programs, § 9.8(f)
  - student loan interest deduction, § 9.8(d)
  - student loans, forgiveness of, § 9.8(e)
  - and treatment of scholarships and fellowships, § 7.2(d)
- Educational assistance programs (section 127)
  - fringe benefits, §§ 5.1, 5.2(c), 5.3(e), 5.3(p), 7.7
- “Educational organization” requirement, §§ 7.2, 7.2(c)
- Employee Plans Compliance Resolution System (EPCRS), § 9.3(k)
- Employees. *See also* Independent contractors
  - classification of workers commonly hired by colleges and universities, §§ 4.2(f), 4.2(f)(i)–(vii), 4.2(g)
  - defined, § 4.2
  - direction and control test, §§ 4.2, 4.2(a)(ii)
  - fringe benefits. *See* Fringe benefits
  - government, §§ 4.2(b)(iv), 4.3(a)(iv), 4.5, 9.7(d)(i)
  - highly compensated, §§ 5.2(g)(ii), 7.4(b)
  - immigration expenses, §§ 8.12, 8.12(a), 8.12(b)
  - independent contractor, also classified as, § 4.2(e)
  - independent contractor distinguished, §§ 4.2(f), 4.2(f)(i)–(vii)
  - interviews of during audit, § 10.3(b)
  - state and local government, § 4.2(b)(iv)
  - statutory, § 4.2(b)(iv)
  - training manual tests, § 4.2(a)(ii)
  - travel tour guides, § 3.6(c)
  - 20-factors test, § 4.2(a)(i)
  - wages defined, §§ 4.2, 4.3(a), 4.6(d)
- Employer-employee relationship
  - recharacterized as partnership, § 9.1(g)(iii)
- Employment
  - defined, § 4.6(a)



## INDEX

- Employment discrimination
  - settlement payments, § 4.6(d)
- Employment taxes
  - on attorneys' fees paid to plaintiff, § 4.6(e)
  - audit appeals, § 10.11
  - deferred compensation payments, §§ 4.8, 4.8(a)–(d)
  - early retirement payments, § 4.6(b)
  - FICA. *See* Federal Insurance Contributions Act (FICA) tax
  - and independent contractors, §§ 4.2, 4.2(a)–(g)
  - nonresident aliens, §§ 4.4(a)–(c), 8.1. *See also* Nonresident aliens
  - overview, § 4.1
  - research, § 1.2
  - royalties, §§ 4.6(c), 4.6(c)(i), 4.6(c)(ii)
  - settlement payments, § 4.6(d)
  - signing bonuses, § 4.6(f)
  - state colleges and universities, § 4.5
  - student FICA exception, §§ 4.3(a)–(d)
  - student loan forgiveness, § 4.7
  - termination payments, § 4.6(a)
  - types of, § 4.1
  - unemployment. *See* Federal unemployment tax (FUTA)
- Endowments
  - and charitable remainder trusts, § 9.10
- Enterprise Standard Industrial Classification (ESIC) Manual, § 5.2(g)(iii)
- Entertainment events, professional
  - unrelated business income, § 3.9
- Entertainment expenses
  - fringe benefits, § 5.3(g)
- Excess benefit transactions, §§ 9.1(d), 9.1(d)(i)–(xii). *See also* Intermediate sanctions
- Exclusive provider arrangement, § 3.4
- Exemption issues
  - intermediate sanctions, §§ 9.1(d), 9.1(d)(i)–(xii)
  - legislative activities, § 9.1(e)
  - partnership activities, §§ 9.1(g)(i)–(iii)
  - political activities, § 9.1(f)
  - private benefit, § 9.1(c)
  - private inurement, §§ 9.1(b), 9.1(b)(i)–(iii)
  - state colleges and universities, §§ 9.1(d)(i), 9.7(b)(i), 9.7(b)(ii)
  - tax-exempt status, qualifying for, § 9.1(a)
- Expenses, ordinary and necessary
  - business deduction for, §§ 2.6(a), 2.6(b)
- "Exploitation of exempt function," § 3.3(a)
- Facts-and circumstances test
  - employee versus independent contractor, § 4.2
  - profit motive, § 2.1(a)(i)
  - and student FICA exception safe harbor, §§ 4.3(a)(ii), 4.3(a)(iii)
  - travel tours, § 3.6
- Faculty
  - classification as independent contractor versus employee, §§ 4.2(f)(i), 4.2(g)
  - nonresident alien teachers and income tax treaties, § 8.8(c)
- Family Educational Rights and Privacy Act, § 10.3(c)
- Federal Insurance Contributions Act (FICA) tax
  - branch operations in foreign country, § 9.5(c)(i)
  - early retirement payments, §§ 4.6, 4.6(b)
  - foreign employer of U.S. citizens, § 9.5(c)(ii)
  - Form 941 quarterly tax return, § 9.7(e)
  - on fringe benefits. *See* Fringe benefits
  - history of student exemption, § 4.3(a)(i)
  - IRS position, §§ 4.3(a)(ii), 4.3(a)(iii)
  - medical residents, § 4.3(a)(iv)
  - nonresident alien exception, §§ 4.4(a)–(c). *See also* Nonresident aliens
  - overview, § 4.1
  - royalty payments, §§ 4.6, 4.6(c)
  - and salary reduction contributions, § 9.3(f)
  - settlement payments, §§ 4.6, 4.6(d)

## INDEX

- signing bonuses, §§ 4.6, 4.6(f)
- state college and university
  - employees, §§ 4.5, 9.7(d), 9.7(d)(i)
- student tax exemption, §§ 4.3(a)–(d)
- termination payments, §§ 4.6, 4.6(a)
- work/study programs, § 4.3(d)
- Federal Rules of Civil Procedure
  - work product privilege, §§ 10.12(b)(i)–(iv)
- Federal unemployment tax (FUTA)
  - overview, § 4.1
  - and salary reduction contributions, § 9.3(f)
  - state colleges and universities, §§ 9.7(d), 9.7(d)(ii)
- Fellowships. *See* Scholarships and fellowships
- FICA. *See* Federal Insurance Contributions Act (FICA) tax
- Fitness centers. *See* Recreational facilities
- For-profit entities
  - partnership activities, § 9.1(g)
  - related entities, §§ 9.2(b), 9.2(d)
  - research agreements with, § 9.4(c)
  - and sales transactions with insiders, § 9.1(b)(iii)
- Foreign activities. *See* International activities
- Foreign athletes, §§ 7.6, 8.9
- Foreign charitable and educational organizations
  - charitable contributions, § 6.3(b)
- Foreign earned income exclusion, § 9.5(c)(i)
- Foreign insurance income
  - unrelated business income, § 2.4
- Foreign taxes
  - U.S. institutions subject to, § 9.5(a)
- Form 941, § 9.7(e)
- Form 990
  - document disclosure requirements, § 9.6
  - filing issues, § 9.6
  - income from controlled organizations, reporting requirements, § 2.3(b)
- Form 990-T (unrelated business income tax return)
  - deductions allowed, §§ 2.6(a)–(e)
  - document disclosure requirements, § 9.6
  - and statute of limitations extension, § 10.6
  - substantiation requirements, § 2.6(d)
- Form 1042, §§ 7.3(b), 8.7
- Form 1042-S, §§ 7.3(b), 8.7
- Form 1099
  - deferred compensation, § 4.8(d)
  - independent contractor payments, § 4.2
  - nonresident aliens, § 8.7
  - royalty payments, § 4.6(c)
- Form 4564, Information Document Request (IDR), § 10.3(a)
- Form 4669 (Statement of Payments Received), § 4.2(d)
- Form 4670 (Request for Relief from Income Tax Withholding), § 4.2(d)
- Form 5701 (Notice of Proposed Adjustment), § 10.4
- Form 8233, §§ 8.8(d)(i), 8.8(e)
- Form W-2
  - compensation and excess benefit transactions, § 9.1(d)(vii)
  - deferred compensation, § 4.8(d)
  - leave-based donations, § 5.3(w)
  - nonresident aliens, reporting wages, § 8.7
  - royalty payments, §§ 4.6(c), 4.6(c)(i)
  - student loan forgiveness, § 4.7
- Form W-4
  - nonresident aliens, § 8.5
- Form W-8BEN, §§ 8.8(d)(ii), 8.8(e)
- Form W-9, § 8.8(d)(iii)
- Fragmentation rule
  - advertising income, § 3.3(a)
  - bookstore operations, § 3.1
  - and professional entertainment events, § 3.9
  - and “trade or business” requirement, §§ 2.1(a)(i), 2.1(a)(ii)
  - travel tours, § 3.6
- Fraternities
  - designated charitable contributions, § 6.3(a)

## INDEX

- Fraternalities (*contd.*)  
 domestic services performed by students, FICA exemption, § 4.3(b)  
 fraternity foundations, § 9.2(e)  
 Fringe benefits  
 airplanes, college or university owned, §§ 5.1, 5.3(b)  
 athletic tickets, §§ 5.2(d), 5.3(r)  
 automobiles, college or university owned, §§ 5.1, 5.3(a)  
 cafeterias and dining facilities, §§ 5.1, 5.3(n)  
 club memberships, § 5.3(u)  
 communication services, § 5.3(j)  
 computers, §§ 5.2(a), 5.2(b), 5.3(c)  
 de minimis, §§ 5.1, 5.2(d), 5.3(c), 5.3(k), 5.3(l), 5.3(m), 5.3(n), 5.3(r)  
 defined, § 5.1  
 domestic partners, § 5.3(v)  
 dues, §§ 5.1, 5.3(d)  
 educational assistance, job-related, §§ 5.1, 5.2(a), 5.3(e)  
 educational assistance programs (section 127), §§ 5.1, 5.2(c), 5.3(e), 5.3(p)  
 gifts and awards, §§ 5.1, 5.3(d), 5.3(l)  
 housing, free or subsidized, §§ 5.6(c), 5.1, 5.3(s)  
 independent contractors, § 5.2(g)(i)  
 leave-based donation payments, § 5.3(w)  
 "line-of-business" rules, §§ 5.2(a), 5.2(c), 5.2(d), 5.2(g), 5.2(g)(iii), 5.3(i)  
 meals, §§ 3.6(c), 5.1, 5.3(k), 5.3(n), 5.3(t)  
 medical insurance, §§ 5.1, 5.3(v)  
 no-additional-cost services, §§ 5.2(a), 5.2(b), 5.2(g)(ii), 5.2(g)(iii), 5.3(j), 5.3(r)  
 nondiscrimination rules, §§ 5.2(a), 5.2(c), 5.2(g)(ii), 5.3(n)  
 outplacement services, § 5.3(h)  
 overview, § 5.1  
 parking, § 5.2(e)  
 permissible recipients, § 5.2(g)(i), § 5.2(i)  
 professional dues, publications, and meetings, §§ 5.1, 5.3(d)  
 qualified employee discounts, §§ 5.1, 5.2(b), 5.2(g)(iii), 5.3(o), 5.3(r)  
 qualified moving expense reimbursements, §§ 5.1, 5.2(f)  
 qualified transportation, § 5.2(e)  
 reciprocal arrangements, § 5.3(i)  
 recreational facilities, §§ 5.1, 5.3(o)  
 section 132 rules, §§ 5.2(a)–(g)  
 security arrangements, § 5.3(f)  
 sharing programs, § 5.3(w)  
 special rules for section 132 exclusions, §§ 5.2(g), 5.2(g)(i)–(iii)  
 spouses and dependents of employees, §§ 5.2(g)(i), 5.3(o), 5.3(p), 5.3(q), 5.3(s), 5.3(u), 5.3(v)  
 supper money, §§ 5.1, 5.3(d), 5.3(k)  
 tax preparation, § 5.3(m)  
 taxi fares, §§ 5.1, 5.3(d), 5.3(k)  
 theater tickets, §§ 5.2(d), 5.3(r)  
 transit passes, §§ 5.2(d), 5.2(e)  
 travel and entertainment expenses, §§ 5.3(g), 5.3(q)  
 working condition, § 5.2(c)  
 Funding  
 related entities, § 9.2(d)  
 research activities. *See* Research activities, funding  
 section 403(b) retirement plans, §§ 9.3(b), 9.3(d)  
 Fundraising  
 charitable contribution deduction and benefits received in return, § 6.4(b)  
 Internet, § 3.22  
 "low-cost articles," distribution of and unrelated business income exclusion, §§ 2.2(e), 6.4(d)  
 supporting organizations, § 9.2(f)  
 FUTA. *See* Federal unemployment tax (FUTA)  
 Gainsharing arrangements, § 9.1(b)(ii)  
 Germany  
 tax treaty, § 9.5(a)  
 Gifts  
 charitable contributions. *See* Charitable contribution deductions  
 fringe benefits, §§ 5.1, 5.3(d), 5.3(l)



## INDEX

- sale of property acquired by and  
unrelated business income,  
§ 2.2(a)(i)
- and unrelated debt-financed income  
rules, § 2.5(b)
- Government employees
  - Revenue Act of 1978, section 530  
relief, § 4.2(b)(iv)
  - section 218 agreements, §§ 4.2(b)(iv),  
4.3(a)(iv), 4.5, 9.7(d)(i)
- Government officials, § 4.2(f)(vii)
  - Graduate students
  - independent study, grants for, § 7.5(a)
  - Lifetime Learning credit, § 9.8(a)
  - nonresident aliens, §§ 8.3, 8.12(d)
  - scholarships and fellowships,  
§§ 7.2(a), 7.2(b)
  - section 127 educational assistance  
programs, § 5.3(p)
  - teaching and research assistants,  
§§ 5.2(c), 7.4(a)
  - tuition remission reimbursement,  
§ 7.5(d)
- Grants
  - independent study, § 7.5(a)
  - National Research Services Act  
awards, § 7.5(b)
  - penalties, forgiveness of, § 7.5(e)
  - treated as compensation, § 7.5(c)
  - tuition remission reimbursements,  
§ 7.5(d)
- Green card
  - immigration-related expenses, § 8.12
  - test, §§ 4.4(a), 8.2, 8.2(a)
- Historical overview, § 1.1
- Hobby loss rules and profit motive,  
§ 2.1(a)(i)
- Honorariums
  - foreign scholars, § 8.10
- HOPE Scholarship, §§ 9.8(a), 9.8(b)
- Hospital Examination Guidelines, § 1.1
- Hospitals
  - audits, § 1.1
  - employees versus independent  
contractors, § 4.2(f)(viii)
  - management and service contracts,  
§ 9.4(d)
  - medical residents, §§ 4.3(a)(iv), 5.3(s),  
9.3(c)
  - physician recruitment incentives,  
§ 9.1(b)(ii)
  - students employed at, § 4.3(c)
- Hotel and restaurant operations
  - unrelated business income, § 3.5
- Housing, free or subsidized
  - fringe benefits, §§ 3.6(c), 5.1, 5.3(s)
- Immigration expenses, tax treatment of
  - existing employees, § 8.12(a)
  - fellowship recipients, § 8.12(d)
  - independent contractors, § 8.12(c)
  - overview, § 8.12
  - prospective employees, § 8.12(b)
- Income tax treaties
  - forms for claiming withholding  
exemptions, §§ 8.8(d), 8.8(d)(i)–(iii)
  - Germany, § 9.5(a)
  - and international activities, § 9.5(a)
  - Japan, § 8.8(f)
  - nonresident aliens, §§ 4.4(b), 8.8,  
8.8(a)–(f)
  - research, § 1.2
  - residency requirement, § 8.8(a)
  - scholarships and fellowships, § 7.3(b)
  - students and trainees, § 8.8(b)
  - taxpayer identification numbers,  
§ 8.8(e)
  - teachers and researchers, § 8.8(c)
- Income taxes
  - nonresident aliens. *See* Nonresident  
aliens
  - unrelated business income. *See*  
Unrelated business income
- Independent contractors
  - accountants, § 4.2(f)(iv)
  - adjunct faculty, § 4.2(f)(i)
  - benefits of relief under section 530,  
§ 4.2(b)(vi)
  - burden of proof, § 4.2(b)(v)
  - classification of workers, §§ 4.2(f),  
4.2(f)(i)–(vii), 4.2(g)
  - classification settlement program  
(CSP), § 4.2(c)
  - computer consultant, § 4.2(g)
  - consultants, § 4.2(f)(v)

# INDEX

- Independent contractors (*contd.*)
  - corporate officers and directors, § 4.2(f)(vi)
  - direction and control test, §§ 4.2, 4.2(a)(ii)
  - dual classification, § 4.2(e)
  - employee distinguished, §§ 4.2(a), 4.2(a)(i), 4.2(a)(ii)
  - employee status issues, § 4.2(b)(iv)
  - employment taxes, §§ 4.2, 4.2(a)–(g)
  - fringe benefits, § 5.2(g)(i)
  - immigration expenses, §§ 8.12, 8.12(c)
  - instructors, § 4.2(f)(i)
  - nonresident aliens, §§ 8.2, 8.3, 8.5–8.8, 8.8(d)(i), 8.12, 8.12(c), 8.12(d)
  - officials, elected and appointed, § 4.2(f)(vii)
  - overview, § 4.2
  - proctors, § 4.2(f)(ii)
  - psychologists working in hospital, § 4.2(f)(viii)
  - “reasonable basis” test, § 4.2(b)(i)
  - researchers, § 4.2(f)(iii)
  - “return filing consistency,” § 4.2(b)(iii)
  - section 457 deferred compensation arrangements, § 9.3(m)
  - section 530 relief, §§ 4.2(b), 4.2(b)(i)–(vi)
  - section 3402(d) relief, § 4.2(d)
  - state officials, § 4.2(f)(vii)
  - “substantive consistency,” § 4.2(b)(ii)
  - training manual tests, § 4.2(a)(ii)
  - trustees, § 4.2(f)(vi)
  - 20 factors test, § 4.2(a)(i)
- Independent study grants, § 7.5(a)
- India, nonresident alien employees, § 8.5
- Individual taxpayer identification number (ITIN), §§ 8.7, 8.8(e)
- Information Document Request (IDR), §§ 10.3(a), 10.3(e), 10.9
- Information returns, §§ 4.6(e), 4.8(d)
- Insiders
  - and private inurement, §§ 9.1(b), 9.1(b)(i), 9.1(b)(iii)
- Instructors
  - independent contractors, § 4.2(f)(i)
- Insurance
  - foreign insurance income, § 2.4
  - medical, §§ 5.1, 5.3(v)
  - split-dollar life insurance, § 6.11
- Intangible property
  - and royalties. *See* Royalties
- Intellectual property. *See also* Royalties
  - patents and related rights, gifts of, § 6.5
  - and research agreements, § 2.2(f)
  - unrelated business income, § 3.21
- Intent
  - charitable contributions, §§ 6.4, 6.4(a)–(d)
- Interest
  - interest expense deduction, § 2.6(a)
  - student loan deduction, § 9.8(d)
  - unrelated business income and controlled organizations, §§ 2.3, 2.3(a), 2.3(b)
  - unrelated business income exclusions, § 2.2(b)
- Intermediate sanctions, §§ 9.1(d), 9.1(d)(i)–(xii)
  - date of occurrence, § 9.1(d)(iii)
  - disqualified persons, § 9.1(d)(vi)
  - excess benefit transactions, §§ 9.1(d), 9.1(d)(i)–(xii)
  - and IRS audits, § 9.1(d)(xi)
  - IRS informal explanation of regulations, § 9.1(d)(xii)
  - organizations subject to rules, § 9.1(d)(v)
  - overview, § 9.1(d)
  - rebuttable presumption, §§ 9.1(d)(viii), 9.1(d)(xii)
  - state colleges and universities, exemption for, §§ 9.1(d)(i), 9.1(d)(v)
  - tax-exempt status, effect on, § 9.1(d)(x)
  - taxes imposed, § 9.1(d)(ii)
  - written contract exception, § 9.1(d)(iv)
- Internal Revenue Manual*, § 1.3(e)
- Internal Revenue Service (IRS)
  - announcements and notices, § 1.3(f)
  - Continuing Professional Education Text*, § 1.3(j)

## INDEX

- determination letters, § 1.3(h)
- forms. *See* individual forms
- Internal Revenue Manual*, § 1.3(e)
- and lack of guidance, § 1.1
- private letter rulings, § 1.3(g)
- regulations, § 1.3(b)
- revenue procedures, § 1.3(d)
- revenue rulings, § 1.3(c)
- technical advice memorandums, § 1.3(i)
- International activities
  - branch operations, §§ 9.5(b), 9.5(c)(i)
  - foreign insurance income, § 2.4
  - foreign taxes, U.S. institutions subject to, § 9.5(a)
  - income tax treaties, § 9.5(a)
  - legal entities, structure of, §§ 9.5(b), 9.5(c)(i), 9.5(c)(ii)
  - overview, § 9.5
  - U.S. citizens and foreign national employees, taxation of, §§ 9.5(c), 9.5(c)(i), 9.5(c)(ii)
- Internet
  - Form 990, posting, § 9.6
  - fundraising, § 3.22
- Japan
  - tax treaty, § 8.8(f)
- Joint ventures. *See also* Partnerships
  - ancillary, § 9.1(g)(ii)
  - research activities, §§ 2.2(f), 2.2(f)(i), 2.2(f)(ii)
  - unrelated business income, § 3.8
- Leave-based donation payments
  - fringe benefits, § 5.3(w)
- Legislative activities. *See also* Lobbying activities
  - exemption issues, § 9.1(e)
- Legislative history
  - IRC section 403(b), § 9.3(a)
- Lessor-lessee relationship
  - recharacterized as partnership, § 9.1(g)(iii)
- Licensing relationships, § 9.1(g)(iii). *See also* Royalties
- Life insurance
  - split-dollar, § 6.11
- Lifetime Learning credit, §§ 9.8(a), 9.8(b)
- Limited liability companies (LLCs), §§ 9.1(g)(i), 9.1(g)(ii). *See also* Partnerships
- “Line-of-business” rules, §§ 5.2(a), 5.2(g), 5.2(g)(iii)
- Litigation
  - attorney-client privilege. *See* Attorney-client privilege
  - audit issues, § 10.11
  - settlement payments, § 4.6(d)
  - Tax Court, § 10.10
  - work product privilege. *See* Work product privilege
- Living expenses
  - reimbursements, nonresident aliens, § 8.6
- Loans
  - interest-free, § 6.8
  - student loans. *See* Student loans
- Lobbying activities, §§ 2.6(c), 3.22, 9.1(e), 9.2(a)
- Logos
  - as advertising, § 3.3(a)
  - affinity credit cards, § 3.13
  - bookstore sales, § 3.1
  - convenience exception for items embossed with, §§ 2.2(h), 3.1
  - and corporate sponsorships, § 3.4
  - mailing lists, §§ 3.14, 9.1(g)(iii)
  - and web site advertising activities, § 3.22
- Loss deductions
  - net operating loss, § 2.6(e)(ii)
  - unrelated business income tax, §§ 2.6(a), 2.6(e)(i)
- “Low-cost items”
  - and charitable contribution deductions, §§ 2.2(e), 6.4(d)
- Mailing lists
  - unrelated business income, §§ 2.2(d), 2.2(d)(i), 2.2(d)(iv), 3.6(a), 3.14
- Major disaster leave-sharing program, § 5.3(w)
- Management and service contracts
  - bookstore operations, § 3.1
  - and tax-exempt bonds, § 9.4(d)

## INDEX

- Meals
  - fringe benefits, §§ 3.6(c), 5.1, 5.3(k), 5.3(n), 5.3(t)
- Medical insurance
  - fringe benefits, §§ 5.1, 5.3(v)
- Medical residents, §§ 4.3(a)(iv), 5.3(s), 9.3(c). *See also* Hospitals
- Members
  - and convenience exception, § 2.2(h)
- Moving expenses, §§ 5.1, 5.2(f)
- National Collegiate Athletic Association (NCAA)
  - and agency law, § 2.2(d)(iii)
  - athletic events and exempt educational purpose, § 3.19
  - athletic scholarship rules, §§ 7.6, 8.9
  - and coaches' disclosures of outside income, § 10.3(d)(i)
- National Research Services Act (NRSA), § 7.5(b)
- NCAA. *See* National Collegiate Athletic Association (NCAA)
- Net operating loss deduction, § 2.6(e)(ii)
- Newspapers, student
  - advertising income, §§ 3.3(a), 3.3(b)
  - student reporter and editor, employee *vs.* independent contractor, § 4.2(g)
- No-additional-cost services
  - fringe benefits, §§ 5.2(a), 5.2(b), 5.2(g)(ii), 5.2(g)(iii), 5.3(j), 5.3(r)
- Nondiscrimination rules
  - fringe benefits, §§ 5.2(a), 5.2(c), 5.2(g)(ii), 5.3(n)
  - qualified tuition reduction, § 7.4(b)
  - section 403(b) retirement plans, § 9.3(h)
  - and section 457 deferred compensation plans, § 9.3(m)
- Nonresident aliens
  - athletic scholarships, §§ 7.6, 8.9
  - employment taxes, §§ 4.4(a)–(c), 8.1
  - green card test, §§ 4.4(a), 8.2, 8.2(a)
  - honorarium payments, § 8.10
  - immigration-related expenses, §§ 8.12, 8.12(a)–(d)
  - income tax treaties, §§ 4.4(b), 8.8, 8.8(a)–(f)
  - individual taxpayer identification number (ITIN), §§ 8.7, 8.8(e)
  - and lack of IRS guidance, § 1.1
  - payments to, overview, § 8.1
  - reimbursements, travel and living expenses, § 8.6
  - reporting requirements, § 8.7
  - residency, §§ 8.2, 8.2(a), 8.2(b), 8.8(a)
  - scholarships and fellowships, withholding and reporting requirements, § 7.3(b)
  - substantial presence test, §§ 4.4(a), 8.2, 8.2(b)
  - tax research, § 1.2
  - U.S. taxable income, determining, § 8.3
  - visas, §§ 4.4(a), 4.5, 7.3(b), 8.5, 8.10, 8.12, 9.7(d)(i)
  - voluntary compliance program, § 8.11
  - withholding agent, § 8.4
  - withholding exemption forms, §§ 8.8(d)(i)–(iii)
  - withholding obligations, § 8.5
  - “Not substantially related” requirement
  - travel tours, § 3.6
  - unrelated business income, §§ 2.1, 2.1(c), 3.3(b), 3.6
- Notice of deficiency
  - 90-day letter, §§ 10.10, 10.11
  - and statute of limitations, § 10.6
- Office space, donation of, § 6.8
- Officers and directors
  - for-profit subsidiaries, § 9.2(d)
  - fringe benefits, § 5.2(g)(i)
  - independent contractors, § 4.2(f)(vi)
  - intermediate sanctions, § 9.1(d)(ii)
- Operational efficiency
  - and “trade or business” requirement, § 2.1(a)(iii)
- Outplacement services
  - fringe benefits, § 5.3(h)
- Overseas activities. *See* International activities
- Parking lots
  - fringe benefits, § 5.2(e)
  - unrelated business income, §§ 2.2(h), 2.6(b), 3.7

## INDEX

- Partial interest gifts
  - charitable contributions, §§ 6.5, 6.8, 6.11
- Partial interests
  - charitable contributions, § 6.8
- Partnerships. *See also* Joint ventures
  - ancillary joint ventures, § 9.1(g)(ii)
  - exemption issues, §§ 9.1(g)(i)–(iii)
  - and private inurement issues, § 9.1(b)(ii)
  - recharacterization of legal relationships as, § 9.1(g)(iii)
  - tax-exempt status, impact on, § 9.1(g)(i)
  - unrelated business income, § 3.8
- Patents. *See* Intellectual property
- Pension plans, § 9.3(n)
- Permissible recipients
  - charitable contributions, §§ 6.3, 6.3(a)–(c)
  - fringe benefits, § 5.2(g)(i), § 5.2(i)
- Personal benefit contract, § 6.11
- Personal property
  - gifts of, § 6.2
  - rental income, § 2.2(c)
- Physicians, compensation and recruitment incentives, § 9.1(b)(ii)
- Pledges
  - charitable contributions, § 6.2
- Political activities
  - and establishment of subsidiary organization, § 9.2(a)
  - exemption issues, § 9.1(f)
  - Internet issues, § 3.22
- Pooled income fund, § 6.9
- Privacy issues
  - IRS audit requests for information on students, § 10.3(c)
- Private benefit, § 9.1(c)
- Private business use, §§ 9.4(c)–(e)
- Private foundations
  - intermediate sanctions exemption, § 9.1(d)(v)
  - supporting organizations, §§ 2.5(c), 9.2(f)
- Private inurement
  - insider determination, § 9.1(b)(i)
  - intermediate sanctions. *See* Intermediate sanctions
  - and private benefit, § 9.1(b)
  - reasonableness of compensation, §§ 3.11, 9.1(b)(ii)
  - sales transactions with insiders, § 9.1(b)(iii)
- Private letter rulings
  - tax research, § 1.3(g)
- “Private use” determinations
  - tax-exempt bonds, § 9.4(e)
- Proctors
  - independent contractors, § 4.2(f)(ii)
- Products, sale of
  - unrelated business income, § 3.24
- Professional dues, publications, and meetings
  - fringe benefits, §§ 5.1, 5.3(d)
- Profit motive
  - and “trade or business” requirement, § 2.1(a)(i)
- Profit sharing plans, § 9.3(n)
- Proposed regulations
  - IRC section 403(b) retirement plans, § 9.3(l)
- Psychologists
  - independent contractor versus employee, § 4.2(f)(viii)
- Publishing activities
  - unrelated business income, § 3.12
- Qualified education expenses, §§ 9.8(a)–(d)
- Qualified employee discounts
  - fringe benefits, §§ 5.1, 5.2(b), § 5.2(b), 5.2(g)(iii), 5.3(o), 5.3(r)
- Qualified moving expense reimbursements
  - fringe benefits, § 5.2(f)
- “Qualified scholarship” requirements, §§ 7.2, 7.2(a)
- Qualified transportation
  - fringe benefits, § 5.2(e)
- Real estate investment trusts (REITs), § 2.2(c)
- Real property
  - capital gains and unrelated business income, §§ 2.2(a), 2.2(a)(i), 2.2(a)(ii)



## INDEX

- Real property (*contd.*)
  - gifts of, § 6.2
  - rental income, § 2.2(c)
  - sale of property acquired by bequest or gift, § 2.2(a)(i)
  - subdividing and improving, § 2.2(a)(ii)
- “Reasonable basis” test
  - independent contractors, § 4.2(b)(i)
- Rebuttable presumption
  - intermediate sanctions, §§ 9.1(d)(viii), 9.1(d)(xii)
- Reciprocal arrangements
  - fringe benefits, § 5.3(i)
- Recordkeeping requirements, § 3.6. *See also* Substantiation requirements
- Recreational facilities
  - fringe benefits, §§ 5.1, 5.3(o)
  - use of by general public and unrelated business income, §§ 2.1, 2.1(a)(ii), 2.1(c), 2.6(b), 3.10
- Reference materials, tax research, § 1.2
- “Regularly carried on” requirement, §§ 2.1, 2.1(b), 3.3(b), 3.6
- Related entities
  - control, § 9.2(b)
  - and foreign insurance income, § 2.4
  - fraternity foundations, § 9.2(e)
  - funding, § 9.2(d)
  - operational considerations, § 9.2(d)
  - overview, § 9.2
  - reasons for establishing subsidiary organization, § 9.2(a)
  - supporting organizations, § 9.2(f)
  - treatment as separate entity, § 9.2(c)
  - and unrelated debt-financed income rules, § 2.5(b)
- Rental income
  - conference centers, § 3.18
  - dormitory rentals and unrelated business income, § 3.2
  - parking lots, §§ 2.2(h), 2.6(b), 3.7
  - unrelated business income exception, § 2.2(c)
  - unrelated business income from controlled organizations, §§ 2.3, 2.3(a), 2.3(b)
  - and unrelated debt-financed income rules, § 2.5(b)
- Reporting requirements. *See also* Withholding and reporting
  - deferred compensation, § 4.8(d)
  - Form 990, income from controlled organizations, reporting requirements, § 2.3(b)
  - nonresident aliens, § 8.7
  - scholarships and fellowships, §§ 7.3(a), 7.3(b)
- Research activities, funding and tax-exempt bond financing, § 9.4(c)
- and unrelated business income, §§ 2.2(f), 2.2(f)(i), 2.2(f)(ii)
- and unrelated debt-financed income rules, § 2.5(b)
- Research assistants
  - grants for independent study, § 7.5(a)
  - tuition waivers, § 5.2(c)
- Researchers
  - income tax treaties and nonresident aliens, § 8.8(c)
  - independent contractors, § 4.2(f)(iii)
- Residency
  - nonresident aliens, §§ 8.2, 8.2(a), 8.2(b), 8.8(a). *See also* Nonresident aliens
- Restaurant operations
  - unrelated business income, § 3.5
- Retirement, early
  - payments for and employment taxes, §§ 4.6, 4.6(b)
- Retirement homes
  - unrelated business income, § 3.20
- Retirement plans
  - overview, § 9.3
  - payments into as fringe benefit, § 5.1
  - pension plans, § 9.3(n)
  - profit sharing plans, § 9.3(n)
  - section 403(b) plans. *See* Section 403(b) retirement plans
  - section 457 plans, § 9.3(m)
- “Return filing consistency”
  - independent contractors, § 4.2(b)(iii)
- Revenue procedures
  - tax research, § 1.3(d)

## INDEX

- Revenue rulings
  - tax research, § 1.3(c)
- Rollovers
  - section 403(b) retirement plans, § 9.3(j)
- Royalties
  - active, § 2.2(d)(i), § 2.2(d)(iv)
  - versus agency relationship, §§ 2.1(d), 2.2(d)(iii)
  - current IRS position on, § 2.2(d)(iv)
  - defined, § 2.2(d)
  - employment taxes, §§ 4.6, 4.6(c), 4.6(c)(i), 4.6(c)(ii)
  - intangible property rights, § 2.2(d)
  - versus joint venture distribution, § 2.2(d)(ii)
  - and mailing list rentals and sales, §§ 3.14, 9.1(g)(iii)
  - passive, § 2.2(d)(i), § 2.2(d)(iv)
  - and reasonable compensation, § 9.1(b)(ii)
  - section 1235 analysis, § 4.6(c)(i)
  - travel tours, §§ 3.6, 3.6(a)
  - and university presses, § 3.12
  - unrelated business income and controlled organizations, §§ 2.3, 2.3(a), 2.3(b)
  - unrelated business income exclusions, §§ 2.2(d), 2.2(d)(i)–(iv), 3.14
- S corporation
  - stock ownership and unrelated business income, § 3.23
- Safe harbors
  - brokers' commissions and fees, tax-exempt bond financing, § 9.4(g)
  - management and service contracts, § 9.4(d)
  - reasonable presumption, § 9.1(d)(xii)
  - receipt of low-cost items for charitable contribution, § 6.4(d)
  - research agreements and private business use, § 9.4(c)
  - section 403(b) plan
    - nondiscrimination, § 9.3(h)
  - section 530 relief, §§ 4.2(b)(i), 4.2(b)(v)
  - student FICA exception, §§ 4.3(a)(ii), 4.3(a)(iii)
  - "widely available" forms and applications, posting on Internet, § 9.6
- Same-sex partners. *See* Domestic partners
- Sanctions. *See* Intermediate sanctions
- Scholarships and fellowships
  - athletic scholarships, §§ 7.6, 8.9
  - "candidate for a degree" requirement, §§ 7.1(b), 7.2, 7.2(b)
  - compensation distinguished, §§ 7.5, 7.5(a)–(e)
  - and education tax credits, § 7.2(d)
  - "educational organization" requirement, §§ 7.1(b), 7.2, 7.2(c)
  - fellowship recipients, immigration expenses, § 8.12(d)
  - foreign athletes, § 8.9
  - and IRS audit requests, § 10.3(c)
  - overview, §§ 7.1, 7.1(a), 7.1(b)
  - "qualified scholarship" requirements, §§ 7.1(b), 7.2, 7.2(a)
  - qualified tuition reductions, §§ 5.2(a), 5.2(c), 7.1, 7.4(a), 7.4(b), 7.5(c)
  - and tax-free discharge of student loans, §§ 4.7, 7.7
  - withholding and reporting, §§ 7.3(a), 7.3(b), 8.5, 8.7
- Scientific research. *See* Research activities, funding
- Section 115 income tax exemption for state colleges and universities, §§ 9.1(d)(i), 9.7(b)(i)
- Section 117, scholarships and fellowships. *See also* Scholarships and fellowships
  - grants and compensation distinguished, §§ 7.5, 7.5(a)–(e)
  - and immigration-related expenses, § 8.12(d)
  - overview, §§ 7.1, 7.1(a)
  - rules, §§ 7.1(b), 7.2, 7.2(a)–(d)
  - tax-free tuition waivers, §§ 5.2(a), 5.2(c), 7.1, 7.4(a), 7.4(b)
- Tax Reform Act of 1986, § 7.1(b)
- withholding and reporting requirements, §§ 7.3(a), 7.3(b), 8.5, 8.7

## INDEX

- Section 127 educational assistance programs, §§ 5.1, 5.2(c), 5.3(e), 5.3(p), 7.7
- Section 132 rules, fringe benefits, §§ 5.2(a)–(g)
- Section 218 agreements, §§ 4.2(b)(iv), 4.3(a)(iv), 4.5, 9.7(d)(i)
- Section 274 accountable plan, § 8.6
- Section 403(b) retirement plans
- “catch up” contributions, § 9.3(g)(i)
  - contribution limits, §§ 9.3(g), 9.3(g)(i), 9.3(g)(ii)
  - custodial accounts, § 9.3(e)
  - distributions, §§ 9.3(i), 9.3(l)
  - eligibility, § 9.3(c)
  - Employee Plans Compliance Resolution System (EPCRS), § 9.3(k)
  - funding, §§ 9.3(b), 9.3(d)
  - legislative history, § 9.3(a)
  - nondiscrimination, §§ 9.3(h), 9.3(l)
  - overview, § 9.3(b)
  - proposed regulations, § 9.3(l)
  - rollovers, § 9.3(j)
  - salary reduction contributions, §§ 9.3(a), 9.3(b), 9.3(d)–(i)
  - transfers, §§ 9.3(j), 9.3(l)
  - voluntary self-correction program, § 9.3(k)
- Section 409A, deferred compensation payments, §§ 4.8, 4.8(a)–(d)
- Section 457 deferred compensation plans, §§ 4.8, 9.3(m)
- Section 501(c)(3)
- bookstore as separate nonprofit entity, § 3.1
  - qualified bonds, §§ 2.5(b), 9.4(b). *See also* Tax-exempt bonds
  - research activities, § 2.2(f)(i)
- Section 529 state tuition programs, § 9.8(f)
- Section 530 relief, independent contractor classification
- benefits of relief, § 4.2(b)(vi)
  - burden of proof, § 4.2(b)(v)
  - classification settlement program, § 4.2(c)
  - and FICA taxes, §§ 4.2(b), 4.2(b)(iv)
  - independent contractors, §§ 4.2(b), 4.2(b)(i)–(vi)
  - overview, § 4.2(b)
  - “reasonable basis” test, §§ 4.2(b), 4.2(b)(i)
  - “return filing consistency” requirement, §§ 4.2(b), 4.2(b)(iii)
  - state and local government employees, § 4.2(b)(iv)
  - and statutory employees, § 4.2(b)(iv)
  - “substantive consistency” requirement, §§ 4.2(b), 4.2(b)(ii)
- Section 1235 analysis, royalty payments, § 4.6(c)(i)
- Section 3402(d) relief, § 4.2(d)
- Securities
- sale of and unrelated business income, §§ 2.2(a), 2.2(a)(iii)
- Security arrangements
- fringe benefits, § 5.3(f)
- Seller-purchaser relationship
- recharacterized as partnership, § 9.1(g)(iii)
- Settlement payments
- employment taxes, § 4.6(d)
- Severance pay, §§ 4.6(a), 4.6(d), 4.8
- Severance plans, §§ 4.8, 9.3(m)
- Sharing programs
- fringe benefits, § 5.3(w)
- Signing bonuses
- employment taxes, § 4.6(f)
- Social Security Act, section 218. *See* Section 218 agreements
- Social Security number (SSN)
- and IRS audit requests, § 10.3(c)
  - and taxpayer identification number, § 8.8(e)
- Social security taxes. *See* Federal Insurance Contributions Act (FICA) tax
- Social security totalization agreements, § 4.4(c)
- Sororities
- designated charitable contributions, § 6.3(a)
  - domestic services performed by students, FICA exemption, § 4.3(b)
  - fraternity foundations, § 9.2(e)
- Split-dollar life insurance
- charitable contributions, § 6.11

## INDEX

- Sponsorships. *See* Corporate sponsorship
  - advertising income. *See* Advertising
- Sports camps
  - unrelated business income, § 3.11
- Spouses and dependents of employees
  - convenience exception, § 2.2(h)
  - fringe benefits, §§ 5.2(g)(i), 5.3(o), 5.3(p), 5.3(q), 5.3(s), 5.3(u), 5.3(v)
  - tuition waivers. *See* Section 117, scholarships and fellowships
- State colleges and universities
  - employment taxes, §§ 4.5, 9.7(d), 9.7(d)(i), 9.7(d)(ii)
  - exemption issues, §§ 9.1(d)(i), 9.7(b)(i), 9.7(b)(ii)
  - and intermediate sanctions, § 9.1(d)(i), 9.1(d)(v)
  - overview, § 9.7(a)
  - section 115 exemption, §§ 9.1(d)(i), 9.7(b)(i)
  - section 501(c)(3) exemption, § 9.7(b)(ii)
  - university systems and taxpayer determination, § 9.7(e)
  - unrelated business income tax, §§ 2.1, 9.7(c)
- State officials
  - independent contractors, § 4.2(f)(vii)
- State tuition programs, § 9.8(f)
- Statute of limitations
  - and IRS audits, § 10.6
- “Step transaction doctrine,” § 2.2(c)
- Stocks and securities
  - and funding for-profit subsidiary, § 9.2(d)
  - gifts of, § 6.2
  - royalties paid by issuance of capital stock, § 4.6(c)(ii)
  - S corporation stock, ownership of, § 3.23
  - sale of and unrelated business income, §§ 2.2(a), 2.2(a)(iii)
- Student loans. *See also* Tuition forgiveness of, §§ 4.7, 5.3(p), 9.8(e)
  - interest deduction, § 9.8(d)
  - tax-free discharge of, § 7.7
- Student newspapers
  - advertising income, § 3.3(b)
- Students
  - audit requests for information on, § 10.3(c)
  - income tax treaties and nonresident aliens, § 8.8(b)
  - loan forgiveness, taxes on, § 4.7
  - medical residents, §§ 4.3(a)(iv), 5.3(s), 9.3(c). *See also* Hospitals
  - requests for information on, IRS audits, § 10.3(c)
  - scholarships and fellowships. *See* Scholarships and fellowships
  - social security tax (FICA) exemption for, §§ 4.3(a)–(d)
  - tuition payments as charitable contribution, § 5.4(a)
- Subsidiary organizations
  - and agency law, § 2.2(d)(iii)
  - related entities, § 9.2(a)
- Substantial presence test, §§ 4.4(a), 8.2, 8.2(b)
- “Substantially all” test, volunteer activities, § 2.2(g)
- “Substantially related” activities, sale of products derived from, § 3.24
- Substantiation requirements
  - and audits, § 10.3(a)
  - business expense deduction, §§ 5.3(g), 5.3(j)
  - business use, §§ 5.3(a), 5.3(c)
  - charitable contributions, § 6.6
  - deductions, § 2.6(d)
- “Substantive consistency” requirement
  - independent contractors, § 4.2(b)(ii)
- Summer sports camps
  - unrelated business income, § 3.11
- Supper money
  - fringe benefits, § 5.3(k)
- Supporting organizations
  - acquisition indebtedness and unrelated debt-financed income, § 2.5(c)
  - related entities, § 9.2(f)
- “Sweetheart” arrangements, § 9.1(b)(ii)
- Tax Court, §§ 10.10, 10.11
  - researching cases, § 1.3(a)

## INDEX

- Tax-deferred annuities. *See* Section 403(b) retirement plans
- Tax deficiencies
  - and audit findings, §§ 1.1, 10.4
  - notice of, § 10.6
  - statutory notice of deficiency (90-day letter), §§ 10.10, 10.11
- Tax-exempt bonds
  - arbitrage and administrative costs, § 9.4(g)
  - closing agreement programs, § 9.4(h)
  - and dormitory rentals, § 3.2
  - and management and service contracts, § 9.4(d)
  - nonexempt use, § 9.4(f)
  - overview, §§ 9.4, 9.4(a)
  - “private activity bonds,” § 9.4(a)
  - “private use” determinations, § 9.4(e)
  - qualified 501(c)(3) bonds, § 9.4(b)
  - and research agreements, § 9.4(c)
  - unrelated use, § 9.4(f)
- Tax-exempt status
  - intermediate sanctions, effect of, § 9.1(d)(x)
  - obtaining and maintaining, § 9.1(a)
  - and partnership activities, § 9.1(g)(i)
  - universities and colleges generally, § 9.1
  - and unrelated business income tax, § 2.1. *See also* Unrelated business income
- Tax preparation
  - and attorney-client privilege, § 10.12(a)(v)
  - fringe benefits, §§ 5.2(c), 5.3(m)
- Tax research
  - announcements and notices, § 1.3(f)
  - Continuing Professional Education Texts*, § 1.3(j)
  - court cases, § 1.3(a)
  - determination letters, § 1.3(h)
  - Internal Revenue Manual*, § 1.3(e)
  - IRS regulations, § 1.3(b)
  - private letter rulings, § 1.3(g)
  - reference materials, § 1.2
  - revenue procedures, § 1.3(d)
  - revenue rulings, § 1.3(c)
  - technical advice memorandum, § 1.3(i)
- Tax shelter transactions, § 9.9
- Tax treaties
  - income taxes. *See* Income tax treaties
- Taxes
  - intermediate sanctions, § 9.1(d)(ii)
- Taxi fares
  - fringe benefits, §§ 5.1, 5.3(d), 5.3(k)
- Taxpayer identification number, §§ 8.7, 8.8(e)
- Teachers. *See* Faculty
- Teaching assistants
  - grants for independent study, § 7.5(a)
  - tuition waivers, § 5.2(c)
- Technical advice memorandum
  - tax research, § 1.3(i)
- Technical advice procedures, § 10.8
- Television and broadcast rights
  - unrelated business income, § 3.19
- Termination payments
  - employment taxes, §§ 4.6, 4.6(a)
- Theater tickets
  - fringe benefits, §§ 5.2(d), 5.3(r)
- Totalization agreements, § 4.4(c)
- “Trade or business” requirement
  - advertising, §§ 3.3(a), 3.3(b)
  - covenant not to compete, § 2.1(a)(iv)
  - defined, § 2.1(a)
  - fragmentation rule. *See* Fragmentation rule
  - operation efficiency, § 2.1(a)(iii)
  - profit motive, §§ 2.1(a)(i), 3.3(b)
  - travel tours, § 3.6
  - unrelated business income, overview, § 2.1
- Trainees
  - income tax treaties and nonresident aliens, § 8.8(b)
- Training manual tests
  - independent contractors, § 4.2(a)(ii)
- Training programs, § 3.18
- Transfers
  - section 403(b) retirement plans, § 9.3(j)
- Travel and transportation expenses
  - fringe benefits, §§ 5.1, 5.2(d), 5.2(e), 5.3(a), 5.3(b), 5.3(g), 5.3(k), 5.3(q)



## INDEX

- reimbursements, nonresident aliens, § 8.6
- spouse's expenses, § 5.3(q)
- travel funds and IRS audit information requests, § 10.3(d)(iv)
- Travel tours
  - facts and circumstances test, § 3.6
  - "mandatory contributions," § 3.6(b)
  - room and board for employees, § 3.6(c)
  - royalty exclusion, §§ 3.6, 3.6(a)
  - unrelated business income, §§ 3.6, 3.6(a)–(c)
- Treasury Regulations, § 1.3(b)
- Trustees
  - independent contractors, § 4.2(f)(vi)
- Trusts
  - charitable contributions made in trust, § 6.9
  - charitable remainder trusts, § 9.10
  - split interest trust, § 6.9
- Tuition
  - educational assistance programs (section 127), §§ 5.1, 5.2(c), 5.3(e), 5.3(p), 7.7
  - payments as charitable contribution, § 6.4(a)
  - qualified tuition reductions, §§ 5.2(a), 5.2(c), 7.4(a), 7.4(b)
  - and reciprocal arrangements, § 5.3(i)
  - section 117(d) tuition waivers, §§ 5.2(a), 5.2(c), 7.1, 7.4(a), 7.4(b)
  - state programs, § 9.3(f)
  - student loans. *See* Student loans
- TVC Program, § 9.3(k)
- 20 factors test
  - independent contractors, § 4.2(a)(i)
- Unemployment tax
  - federal. *See* Federal unemployment tax (FUTA)
  - state, § 4.1
- Unrelated business income
  - advertising income, §§ 2.1(d), 3.3(a)–(c)
  - affinity credit cards, §§ 2.2(d)(i)–(iv), 3.13, 3.22
  - and agency law, § 2.1(d)
  - alumni, treatment of, §§ 2.2(h), 3.17
  - athletic events, § 3.19
  - bookstore operations, §§ 2.1(a)(ii), 2.1(b), 2.1(c), 2.2(h), 3.1
  - business incubator activities, §§ 3.7, 3.25
  - catering activities, § 3.16
  - concession sales, § 3.15
  - conferences, meetings, and training programs, § 3.18
  - controlled organizations, §§ 2.3, 2.3(a), 2.3(b), 2.4
  - corporate sponsorship, §§ 3.3(a), 3.4, 3.22
  - debt-financed income, §§ 2.5(a)–(d)
  - deductions, §§ 2.6(a)–(e). *See also* Deductions
  - defined, § 2.6(a)
  - dormitory rentals, § 3.2
  - entertainment events, professional, § 3.9
  - exceptions to, statutory, §§ 2.2(a)–(h)
  - foreign insurance income, § 2.4
  - Form 990-T. *See* Form 990-T
  - (unrelated business income tax return)
  - fund-raising, Internet, § 3.22
  - general principles, § 2.1
  - hotel and restaurant operations, § 3.5
  - intellectual property, § 3.21
  - Internet fund-raising and advertising, § 3.22
  - and IRS audits, §§ 10.3(a), 10.3(b)
  - mailing lists, §§ 2.2(d), 2.2(d)(i), 2.2(d)(iv), 3.6(a), 3.14
  - "not substantially related" requirement, §§ 2.1, 2.1(c), 3.3(b)
  - parking lots, §§ 2.2(b), 2.2(h), 3.7
  - partnerships and joint ventures, § 3.8
  - products derived from related activity, sale of, § 3.24
  - publishing activities, § 3.12
  - recreational facilities, §§ 2.1, 2.1(a)(ii), 2.1(c), 2.6(b), 3.10
  - "regularly carried" on requirement, §§ 2.1, 2.1(b), 3.3(b), 3.6
  - retirement homes, § 3.20
  - S corporation stock, ownership of, § 3.23

## INDEX

- Unrelated business income (*contd.*)
  - statutory exceptions, §§ 2.2(a)–(h)
  - summer sports camps, § 3.11
  - television and broadcast rights, § 3.19
  - “trade or business” requirement. *See* “Trade or business” requirement
  - travel tours, §§ 2.1, 3.6, 3.6(a)–(c)
- Unrelated debt-financed income rules
  - acquisition indebtedness, §§ 2.5(a), 2.5(c)
  - computation of debt-financed income, § 2.5(d)
  - debt-financed property, § 2.5(a)
  - exceptions, § 2.5(b)
  - interest and dividends, § 2.2(b)
  - overview, § 2.5
  - rental income, § 2.5(b)
- Unrelated use
  - tax-exempt bonds, § 9.4(f)
- Unrestricted accounts, § 10.3(d)(iv)
- Venture capital funds, business school activities, § 2.1(c)
- Visas
  - foreign scholars, §§ 7.3(b), 8.5, 8.10
  - and immigration-related expenses, § 8.12
  - and nonresident alien FICA tax exception, §§ 4.4(a), 4.5
  - and section 218 agreements, § 9.7(d)(i)
- Voluntary compliance program (VCAP)
  - nonresident alien tax issues, § 8.11
- Voluntary self-correction program
  - section 403(b) retirement plans, § 9.3(k)
- Volunteer labor exception
  - and unrelated debt-financed income rules, § 2.5(b)
- Volunteers
  - fringe benefits, § 5.2(g)(i)
  - and unrelated business income exclusions, § 2.2(g)
- Wages. *See* Compensation
- Waivers
  - attorney-client privilege, § 10.12(a)(iii)
  - work product privilege, §§ 10.12(b)(v), 10.12(b)(vi)
- Web sites
  - CPE Texts, § 1.3(j)
  - Form 990, posting, § 9.6
  - hyperlinks and corporate sponsorships, § 3.4
  - IRS publications, § 6.3(c)
  - permissible donees, list of, § 6.3(c)
  - tax research, § 1.2
- Withholding and reporting. *See also* Reporting requirements
  - employment taxes. *See* Employment taxes
  - FICA taxes. *See* Federal Insurance Contributions Act (FICA) tax
  - fringe benefits. *See* Fringe benefits
  - nonresident aliens, payments to. *See* Nonresident aliens
  - scholarships and fellowships, §§ 7.1, 7.5(a), 7.3(b)
  - section 457 deferred compensation plans, § 9.3(m)
  - state colleges and universities, §§ 4.5, 9.7(d), 9.7(d)(i), 9.7(d)(ii)
  - unemployment taxes. *See* Federal unemployment tax (FUTA)
  - withholding agent, nonresident aliens, § 8.4
- Work product privilege
  - elements of, § 10.12(b)(i)
  - guidelines, § 10.12(c)
  - importance of, § 10.12
  - “in anticipation of litigation” standard, § 10.12(b)(ii)
  - preparation of work product, § 10.12(b)(iii)
  - qualified protection, § 10.12(b)(iv)
  - waiver, §§ 10.12(b)(v), 10.12(b)(vi)
- Work/study programs
  - and student employee FICA tax exemption, § 4.3(d)
- Working conditions
  - fringe benefits, § 5.2(c)
- Written contract exception
  - intermediate sanctions, § 9.1(d)(iv)

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>



<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>