

**990-T**

# Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

OMB No 1545-0687

**2017**

For calendar year 2017 or other tax year beginning July 1, 2017, and ending June 30, 2018

Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue ServiceA ☐ Check box if address changed

B Exempt under section

- ☒ 501(c)(3) ☐ 408(e) ☐ 220(e)  
☐ 408A ☐ 530(a)  
☐ 529(a)

C Book value of all assets at end of year

Print or Type

Name of organization ( ☐ Check box if name changed and see instructions )

University of Southern Indiana

Number, street, and room or suite no. If a P.O. box, see instructions

8600 University Blvd

City or town, state or province, country, and ZIP or foreign postal code

Evansville, IN 47712

D Employer identification number (Employees' trust, see instructions)

35-1308176

E Unrelated business activity codes (See instructions)

451211

900099

F Group exemption number (See instructions)

G Check organization type ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. Online campus store sales

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ☐ Yes ☒ No

If "Yes," enter the name and identifying number of the parent corporation.

The books are in care of Jeff Sickman

Telephone number

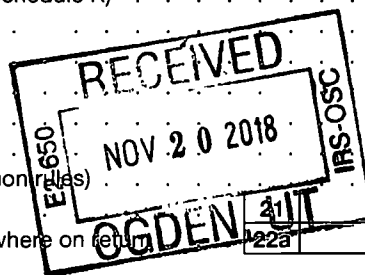
812-465-7163

**Part I Unrelated Trade or Business Income**

	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales	48,064	29	
b Less returns and allowances			
c Balance	48,064	29	
2 Cost of goods sold (Schedule A, line 7)	28,169	93	
3 Gross profit Subtract line 2 from line 1c	19,894	36	19,894 36
4a Capital gain net income (attach Schedule D)			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c Capital loss deduction for trusts			
5 Income (loss) from partnerships and S corporations (attach statement)			
6 Rent income (Schedule C)			
7 Unrelated debt-financed income (Schedule E)			
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10 Exploited exempt activity income (Schedule I)			
11 Advertising income (Schedule J)			
12 Other income (See instructions; attach schedule)			507,629 00
13 Total. Combine lines 3 through 12			527,523 36

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15	352,949	94
16 Repairs and maintenance	16	500	04
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19		
20 Charitable contributions (See instructions for limitation rules)	20	2,188	24
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22b		
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25	150,950	92
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule)	28	1,240	04
29 Total deductions. Add lines 14 through 28	29	507,829	18
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	19,694	18
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	19,694	18
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000	00
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	18,694	18



For Paperwork Reduction Act Notice, see instructions.

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Form 990-T (2017)

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**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> <b>See instructions</b> and.			
<b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ <input type="text"/> (2) \$ <input type="text"/> (3) \$ <input type="text"/>			
<b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ <input type="text"/> (2) Additional 3% tax (not more than \$100,000) \$ <input type="text"/>			
<b>c</b> Income tax on the amount on line 34	<b>35c</b>	3,360	35
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	<b>36</b>		
<b>37 Proxy tax.</b> See instructions	<b>37</b>		
<b>38 Alternative minimum tax</b>	<b>38</b>		
<b>39 Tax on Non-Compliant Facility Income.</b> See instructions	<b>39</b>		
<b>40 Total.</b> Add lines 37, 38 and 39 to line 35c or 36, whichever applies	<b>40</b>	3,360	35

**Part IV Tax and Payments**

<b>41a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	<b>41a</b>		
<b>b</b> Other credits (see instructions)	<b>41b</b>		
<b>c</b> General business credit. Attach Form 3800 (see instructions)	<b>41c</b>		
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827)	<b>41d</b>		
<b>e</b> <b>Total credits.</b> Add lines 41a through 41d	<b>41e</b>		
<b>42</b> Subtract line 41e from line 40	<b>42</b>	3,360	35
<b>43</b> Other taxes. Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	<b>43</b>		
<b>44</b> <b>Total tax.</b> Add lines 42 and 43	<b>44</b>	3,360	35
<b>45a</b> Payments: A 2016 overpayment credited to 2017	<b>45a</b>		
<b>b</b> 2017 estimated tax payments	<b>45b</b>		
<b>c</b> Tax deposited with Form 8868	<b>45c</b>		
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions)	<b>45d</b>		
<b>e</b> Backup withholding (see instructions)	<b>45e</b>		
<b>f</b> Credit for small employer health insurance premiums (Attach Form 8941)	<b>45f</b>		
<b>g</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other <input type="checkbox"/> Total	<b>45g</b>		
<b>46</b> <b>Total payments.</b> Add lines 45a through 45g	<b>46</b>		
<b>47</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>47</b>		
<b>48</b> <b>Tax due.</b> If line 46 is less than the total of lines 44 and 47, enter amount owed	<b>48</b>	3,360	35
<b>49</b> <b>Overpayment.</b> If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	<b>49</b>		
<b>50</b> Enter the amount of line 49 you want <b>Credited to 2018 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>50</b>		

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

<b>51</b> At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
<b>52</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		
<b>53</b> Enter the amount of tax-exempt interest received or accrued during the tax year		

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer 

Date

11-15-18

VP for Finance &amp; Administration

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no

**Schedule A—Cost of Goods Sold.** Enter method of inventory valuation ►

<b>1</b> Inventory at beginning of year	<b>1</b>	201,799	96	<b>6</b> Inventory at end of year . . . . .	<b>6</b>	208,334	98
<b>2</b> Purchases . . . . .	<b>2</b>	27,211	64	<b>7</b> <b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2 . . . . .	<b>7</b>	28,169	93
<b>3</b> Cost of labor . . . . .	<b>3</b>	6,810	55	<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? . . . . .		Yes	No
<b>4a</b> Additional section 263A costs (attach schedule) . . . . .	<b>4a</b>						
<b>b</b> Other costs (attach schedule)	<b>4b</b>	682	76				
<b>5</b> <b>Total.</b> Add lines 1 through 4b	<b>5</b>	236,504	91				✓

**Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions)

<b>1.</b> Description of property		
(1)		
(2)		
(3)		
(4)		
<b>2.</b> Rent received or accrued		
<b>(a)</b> From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	<b>(b)</b> From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	<b>3(a)</b> Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
<b>Total</b>	<b>Total</b>	<b>(b) Total deductions.</b> Enter here and on page 1, Part I, line 6, column (B) ►
<b>(c) Total income.</b> Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ►		

**Schedule E—Unrelated Debt-Financed Income** (see instructions)

<b>1.</b> Description of debt-financed property		<b>2.</b> Gross income from or allocable to debt-financed property	<b>3.</b> Deductions directly connected with or allocable to debt-financed property	
			<b>(a)</b> Straight line depreciation (attach schedule)	<b>(b)</b> Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
<b>4.</b> Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	<b>5.</b> Average adjusted basis of or allocable to debt-financed property (attach schedule)	<b>6.</b> Column 4 divided by column 5	<b>7.</b> Gross income reportable (column 2 × column 6)	<b>8.</b> Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b>			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
<b>Total dividends-received deductions</b> included in column 8				

**Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
<b>Nonexempt Controlled Organizations</b>					
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)		Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)
<b>Totals</b> ▶					

**Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
Enter here and on page 1, Part I, line 9, column (A)				Enter here and on page 1, Part I, line 9, column (B)
<b>Totals</b> ▶				

**Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Enter here and on page 1, Part I, line 10, col (A)		Enter here and on page 1, Part I, line 10, col (B)		Enter here and on page 1, Part II, line 26		
<b>Totals</b> ▶						

**Schedule J—Advertising Income** (see instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) ▶						

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> ▶						
	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27
<b>Totals, Part II (lines 1–5)</b> ▶						

**Schedule K—Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 ▶			

The University operates a museum gift shop in New Harmony, IN. The majority of the items in the general merchandise category do not relate to the exempt purpose

The University operates a campus store which offers sales of its merchandise via the internet. The sales reported below represent gift and logo items that were sold online during the past year

REVENUE	<i>USI Campus Store Online Merchandise</i>	<i>Museum Shop General Merchandise</i>	<i>Totals</i>	
Sales, retail - gross	\$36,118.06	\$11,946.23	\$48,064.29	Part I, Line 1a
Less: Sales Returns			\$0.00	
Miscellaneous			\$0.00	
Total Sales	<u>\$36,118.06</u>	<u>\$11,946.23</u>	<u>\$48,064.29</u>	Part I, Line 1c(A)
<b>COST OF GOODS SOLD</b>				
Beginning Inventory	\$193,263.00	\$8,536.96	\$201,799.96	
Plus: Purchases	\$19,932.04	\$7,279.60	\$27,211.64	
Plus: Cost of Labor	\$6,810.55		\$6,810.55	
Plus: Freight	\$412.99	\$269.77	\$682.76	
Less: Ending Inventory	<u>\$198,028.80</u>	<u>\$10,306.18</u>	<u>\$208,334.98</u>	
Cost of Goods Sold	<u>\$22,389.78</u>	<u>\$5,780.15</u>	<u>\$28,169.93</u>	Part I, Line 2(A)
Gross Margin on Sales	\$13,728.28	\$6,166.08	\$19,894.36	Part I, Line 3(A) and (C)

UNIVERSITY OF SOUTHERN INDIANA  
EIN: 35-1308176  
Form 990-T (2017) Schedule Attachment

Part I - Unrelated Business Income  
Part II - Deductions not taken Elsewhere

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PART I, Line 12c - Other Income

USI Foundation Reimbursement Income The University provides various services to the USI Foundation, including accounting, computer, and administrative.

Fitness Center Income. The University charges a fee to individuals who are not a University employee or student who obtain access to the fitness center when they are accompanied by a University employee or student.

USI Foundation	500,100 00
Fitness Center	<u>7,529 00</u>
Part I, Line 12(C) other income	<u><u>507,629.00</u></u>

PART II, Line 28 - Other Deductions

USI Campus Store Other deductions allocable to income from online sales that are unrelated business income to the University include retail space rental and fees for processing credit cards.

USI Campus Store	
Rent	952.42
Credit Card Processing Fees	<u>287.62</u>
Part II, Line 28 other deductions	<u><u>1,240.04</u></u>