FAQs For E-Business Activities at the University of Pittsburgh

What is an E-Business Activity?

E-business or e-commerce activities are any activities by which goods or services are bought or sold, or revenues are raised, by use of the Internet. Examples of e-business activities at the University include: sale of tickets to athletic events, acceptance of application fees and tuition, and acceptance of donations to the University.

What is an electronic Merchant Services Agreement and do we need one?

A Merchant Services Agreement is an agreement with a third party financial services entity who will accept credit card information submitted over the internet, charge the appropriate credit card company, and send the money to a University account. All Merchant Services Agreements must be reviewed by the Office of Finance.

Can we sell advertising to defray the costs of our website?

As a non-profit organization whose website is on an edu domain, advertising on the University’s website presents several problems. First, advertising revenue is considered to be unrelated business income, subject to taxation by the IRS. The University attempts to limit this type of income wherever possible. Also, advertising activities are generally inconsistent with an edu domain, and inconsistent with the University’s noncommercial status and presentation of itself on the Internet. While advertising is problematic, the University can, under IRS regulations, solicit sponsorship of its activities without incurring taxation on this income, and without creating the other problems described above. The difference between advertising and sponsorship is the subject of some very specific IRS regulations that focus on the difference between acknowledgement of support (which is sponsorship) and the offering or endorsement of a product or service for sale (which is advertising). The University’s Office of General Counsel can assist you with developing appropriate agreements with sponsors to support your site.

Can we accept credit card donations for our School over the Internet?

The University has already established a website to allow donors to contribute to the University by credit card via the Internet. Because of the need to track donations accurately and provide appropriate receipts for tax deduction purposes, all donations should be directed through this site, which is at http://www.pitt.edu/~alumni/giving.html. You may wish to link the site for your school with this donation site.

Are there special Computer Security Guidelines for E-Commerce Sites at the University?

Yes, because e-commerce activities involve the electronic transmission of financially sensitive information, including possibly credit card numbers or University account numbers, you must exercise care to ensure that this information is not made available to unauthorized persons. Please refer to the E-Business Security Guidelines for more information.