Higher education institutions continually explore opportunities to streamline costs and improve efficiency. In many instances this results in the decision to outsource or privatize operations. Many of the operations that are outsourced are considered unrelated business-type activities according to the Internal Revenue Code. As such, these activities are required to pay U.S. income tax on their net profits. These unrelated business type activities include things like food service, bookstores, parking facilities, conference centers, and hotels. This study examines these two issues—outsourcing and unrelated business income tax—in combination. The study surveyed college and university business officers across the United States and inquired about their position within the organization, characteristics of their organization, outsourcing activities at their institution, individual’s perceived understanding of Unrelated Business Income Tax (UBIT), and the perceived compliance with UBIT regulations. The results of the survey first conclude that college and university business officers self-reported an above average understanding of the application and compliance with unrelated business income tax. Secondly, however, the study concluded that the unrelated business income tax was of minor significance in decisions to outsource HIED operations.