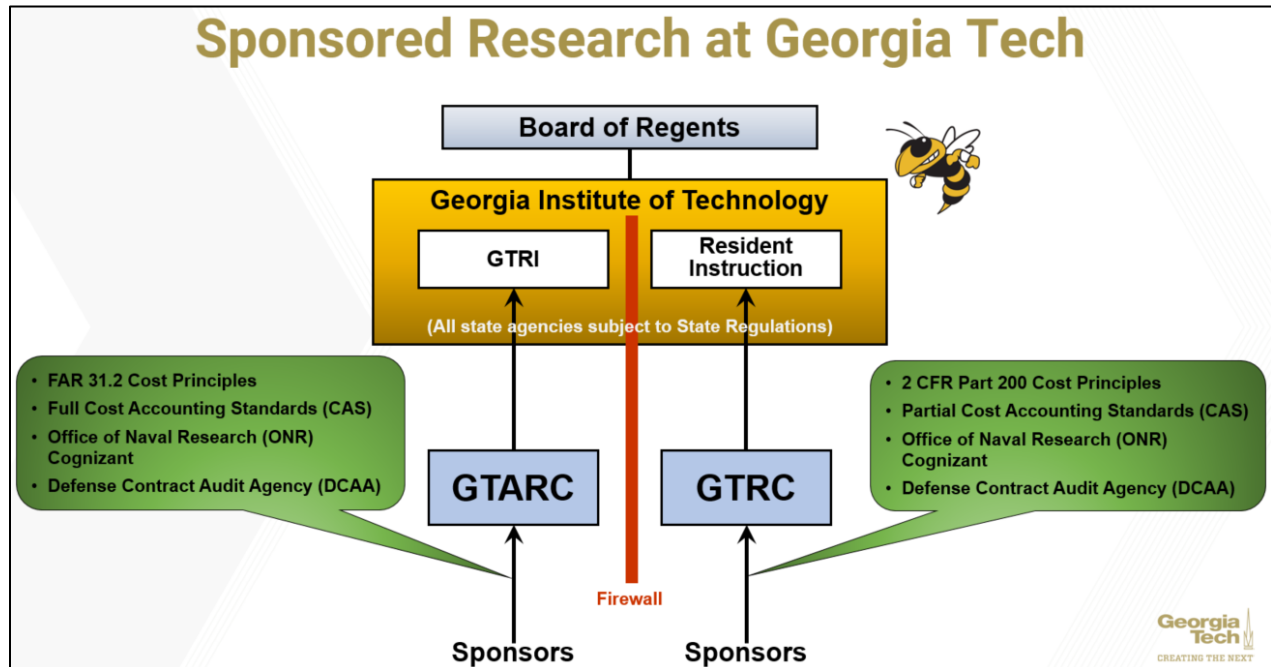


## PI Article - Understanding GTRC and GTARC

GTRC (established in 1937) and GTARC (established in 1997) serve as contracting entities and supporting organizations for research at Georgia Tech (GT), as outlined by a memorandum of understanding signed every five years by the President of Georgia Tech and the Chair of the Board of Trustees of each organization. The corporations promote research through stewardship of funds for sponsored research and financial support of research activities. The Georgia Tech Research Corporation (GTRC) supports Georgia Tech (GT) academic/other units, including Georgia Tech's seven colleges (referred to as Resident Instruction - RI). The Georgia Tech Applied Research Corporation (GTARC) supports the Georgia Tech Research Institute (GTRI).



There are approximately 100 similar “university-connected research foundations” at state universities throughout the country organized primarily to permit host universities to operate research programs by minimizing the impact of restrictive state contracting and financial procedures. Research contracts typically extend multiple years, and state budgets must be closed out each year. Research affiliates allow research contracts to continue over multiple years.

GTRC and GTARC are formally designated as cooperative (affiliate) organizations per Board of Regents (BOR) Policy 6.17. They are organized primarily for soliciting grants and contracts or accepting grants or entering into contracts for research or services to be performed by or in conjunction with a USG institution or using the institution’s facilities. The corporations are legally separate, tax-exempt (501(c)3) component units of the State of Georgia. Although the state (primary government) is not fiscally accountable for these entities, the nature and significance of the relationship between the primary government and the corporations is such that excluding them from the Georgia Tech financial statements would be misleading. The corporations meet the requirements for discrete presentation per GASB.

The corporations reimburse GT for direct and overhead costs incurred on behalf of research activities. While the direct costs incurred by GT are fully reimbursed, a portion of the overhead is retained by the corporations and used to establish reserves for the research enterprise and to pay certain expenses GT cannot pay.

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