Explanation of Overhead Charges to Auxiliary Units

Operating costs may be broken down into two categories: direct and indirect or overhead costs. Direct costs are those that are charged and are clearly attributable to the benefiting project or organization. Indirect costs are shared costs benefitting more than one project or organization of the Institute. They include costs of the following divisions: Office of the President, Information Technology, Facilities Management, Police Department, Campus Services, Legal Affairs and Compliance, Police, and other Administration and Finance offices.

Each year the Office of Grants and Contracts prepares a rate proposal to the Federal Government to document Georgia Tech’s overhead charges made to externally funded grants and contracts. This same document and the methodology therein also are used to compute overhead charges to non-sponsored, self-supporting operations of the Institute. These units are Auxiliary Services and Distance Learning and Professional Education. These programs are billed for the overhead costs based on the rate proposal from the prior fiscal year. For Auxiliary Services the amounts are $1.9 million for FY12 and $2.1 million for FY13.