



Policy Source: Gwinnett Tech Foundation (GFTPP – 01 01)	Owner: Executive Director	Effective: 5/20/2015
Division: Institutional Advancement	Reviewed: 5/2019 Revised: 5/2025	

### **9.1.9 GT      Joint Venture**

In compliance with Internal Revenue Service’s guidelines for approval and management of any Joint Venture entered into by Gwinnett Tech Foundation, Inc., the Board of Trustees adopts the following guidelines:

#### **Term Clarification to this policy**

For the purposes of this policy, the term “Joint Venture” is defined as any arrangement, including contractual or more formal arrangements undertaken through a limited liability company, partnership, or other entity through which Gwinnett Tech Foundation, Inc. and another entity jointly undertake any activity or business venture, or otherwise agree to joint ownership of any asset. A Joint Venture may include both taxable and tax-exempt activities.

#### **Approval and Management of Joint Activities**

Before making any decision to participate in a Joint Venture, Gwinnett Tech Foundation, Inc. will ensure that the Joint Venture furthers Gwinnett Technical College’s exempt purposes and will negotiate at arm’s length contractual and other terms of participation that safeguard Gwinnett Tech Foundation’s exemption from federal income tax and will follow terms specified in the Memorandum of Agreement between Gwinnett Technical College and the Gwinnett Tech Foundation. Terms shall be in writing in the operating agreement of the Joint Venture and shall include the following minimum requirements:

- With respect to any Whole Joint Venture where the Foundation contributes the majority of the assets, the Foundation will have 51% of the voting rights as well as veto power.
  - With respect to any Ancillary Joint Venture (that is, a Joint Venture to which a portion of Gwinnett Tech Foundation’s resources are contributed), the Gwinnett Tech Foundation would, at a minimum, maintain sole control over the tax-exempt aspects of the Joint Venture and would have voting and ownership interests in the Joint Venture that are consistent with Gwinnett Tech Foundation’s capital contributions;

- A requirement that any subsequent contract with Gwinnett Tech Foundation's partner in the Joint Venture be negotiated at arm's length and for fair market value;
- A requirement that the Joint Venture give priority to Gwinnett Tech Foundation's tax-exempt purposes over maximization of profit for the participants of the Joint Venture; and
- A prohibition on activities that would jeopardize Gwinnett Tech Foundation's tax-exempt status.

Where there is any question as to whether a particular Joint Venture may pose a risk to Gwinnett Tech Foundation's tax-exempt status, a decision to enter into such Joint Venture by the Board of Trustees will only be made after consultation with legal and/or tax counsel.

Adopted and Approved by:

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Chair

Date:

Gwinnett Tech Foundation

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Date:

Secretary Gwinnett Tech  
Foundation