Categorizing your project as Research, Instruction, or Other Sponsored Activities

Sponsored project activities are categorized in three major “buckets” in NAU’s Facilities and Administrative (F&A) Costs Rate Agreement: Research, Instruction, and “Other Sponsored Activities” which encompasses a variety of institutional activities from public service to academic support to fellowships and scholarships. The correct classification of a sponsored project in one of these activities affects F&A rate negotiations and more importantly, recognizes and underscores the growth of our research efforts in reports that are distributed to the Arizona Board of Regents and that also are part of the National Science Foundation’s Higher Education Research and Development Survey.

**Research and Development:**

Research and development (R&D) is creative work conducted systematically to increase the stock of knowledge (research) and to use this stock of knowledge to devise new applications (development).

- **Basic research** is undertaken primarily to acquire new knowledge without any particular application or use in mind. Includes federally funded grants and R&D funded from other universities, as well as from some foundations and nonprofit organizations.

- **Applied research** is conducted to gain knowledge or understanding necessary to determining the means by which a recognized and specific need might be met. Attempts to determine and exploit the potential of scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques; to advance the state of the art. This category typically includes R&D funds received through Federal cooperative agreements and Federal contracts, all state-funded R&D (except through Proposition 301), R&D funds received from private for-profit institutions, and most (but not all) funding received from federal Mission agencies such as the U.S. Department of Agriculture (USDA) or the Department of the Interior (DOI).

- **Development** is the systematic use of the knowledge or understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including the design and development of prototypes and new processes to meet specific requirements.

**R&D includes:**
- Sponsored research
- Equipment purchased from R&D project accounts
- Research training grants funding work on organized research projects

**R&D does not include:**
- Public service grants
- Curriculum development (unless part of an overall research project)
- Non-research training grants
**Instruction**

The Instruction/Training category includes expenses for all activities that are part NAU’s instructional programs. Expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions should be included, as well as curriculum development.

**Other Sponsored Activities**

- **Academic Support** category is not typically used for sponsored projects. This classification includes expenses incurred to provide support services for the institution’s primary programs of instruction, research, and public service.

- **Fellowship/Scholarship** category includes expenses for scholarships and fellowships in the form of grants that neither require the student to perform service to the institution as consideration for the grant, nor require the student to repay the amount of the grant to the funding source. In public institutions, they may result from selection by the institution or from an entitlement program.

- **Institutional Support** classification is not typically used for sponsored projects. The category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative information technology (when not accounted for in other categories); space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.

- **Public Service** category includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

- **Student Services** classification includes expenses incurred for offices of admissions and the registrar and activities that, as their primary purpose, contribute to students’ emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. This classification is not typically used for sponsored projects.