

## **Procedure for Classification of Grants and Contracts**

The Sponsored Research Development department is responsible for correctly coding "Project Type" on the SDSU proposal routing form. All grants and contracts administered by SDSU Research Foundation are classified into one of three types indicated in SDSU Research Foundation's federally-negotiated indirect cost rate. These types are "research," "instruction," and "other sponsored activities." Care must be exercised in selecting the proper category. The following are some guidelines to assist in selecting the correct project type.

In accordance with 2 CFR Part 220 (formerly OMB Circular A-21), 2 CFR Part 215 (formerly OMB Circular A-10), and OMB Circular A-133 requirements, all grants and contracts administered by SDSU Foundation are classified into one of three types indicated in the Foundation's federally-negotiated F&A agreement. These types are: **Research; Instruction; and Other Sponsored Activities.**

When a proposal approval form is processed, the development specialist assigns a classification code on the approval form. The code is selected according to definitions based upon the regulations referenced above. If the appropriate classification for a project is unclear to the development specialist, he/she will consult with the director or sponsored programs coordinator of Sponsored Research Development to determine the correct code. The classification is subsequently reviewed for accuracy by the director or sponsored programs coordinator of Sponsored Research Development and changes made if necessary. It is then entered into Banner.

To ensure consistency in classifying grants and contracts, the following procedures are implemented:

1. Written Standards. All development specialists are provided with written definitions of the classifications, as are the directors and sponsored programs coordinators of Sponsored Research Development and Sponsored Research Administration.
2. Annual Review. Classification of grants and contracts will be reviewed annually by title, sponsor, and F&A rate by the Finance and Accounting department. To facilitate the review, Finance and Accounting will generate a report, by code. During this review, revisions will be made to any inconsistencies noted.

**Research Projects:** Sponsored Research means all research and development activities that are sponsored by federal and non-federal agencies and organizations. This term *includes activities involving the training of individuals in research techniques* where such activities use the same facilities as other research and development activities and where such activities are not included in the instruction function.

Research seeks fuller knowledge of a subject and involves investigation aimed at the discovery of new facts or revision of accepted theories. It is designed to develop or

contribute to generalizable knowledge. Research projects may include laboratory work, testing and evaluation, questionnaires, pre-and post-tests, and statistical analysis.

**Instruction Projects:** Sponsored Instruction means the teaching and training activities of an institution established by grant, contract, or cooperative agreement. These activities may be offered for credits toward a degree or certificate or on a noncredit basis, and may be offered through regular academic departments or through separate divisions, such as summer school or extension. (Research training is not included; it is included under Research, above.)

“Instruction” is the proper code when the primary purpose of the project involves training, curriculum development, instruction, demonstration, or efforts to improve pedagogical methods. Instructional projects may include some elements of research, particularly if new techniques of instruction or curriculum content are being developed. This does not change the definition if the project to “research”.

**Other Sponsored Activities:** “Other Sponsored Activities” are programs and projects sponsored by federal and non-federal agencies which involve the performance of work other than instruction and organized research. Examples include health service projects, community service programs, service and technical assistance projects, such as student assistance to the Navy or corporations, technical assistance to governments, filmmaking, and conferences. This category also includes sponsor-designed testing; clinical trials; and evaluations.

**Note:** If a proposal is solely to purchase equipment, the project should be coded according to the principle use of the equipment, e.g., research, instruction, or other.

It is important to be consistent from year to year when coding multi-year projects. Because different individuals code proposals from year to year, the prior year’s code will be checked before coding the current year.

There are two instance in which a change may be needed. One such instance is when an error was made in the prior project period. The other case in which a change in code may be required is if the work to be done is different from the prior year. For example, Year 1 may be mainly instruction, Year 2 may be research, and Year 3 may be other.

Projects which cannot be easily coded should be discussed with the director of Sponsored Research Development. Following are some example of proposals whose codes may not be readily apparent.

## **EXAMPLES**

1. A geology faculty member, funded by NSF, takes several students into the field to learn about geological formations, seismic activity, and how geologists do their research. Is this Instruction or research?

Although the students are being given instruction, much of what they are learning is how to incorporate research through analysis and discovery. Consequently, this project should be coded as “research.”

2. A faculty member is funded to bring the grade point averages of some of SDSU’s minority students up to a level where they can be accepted into graduate school and become biomedical researchers. The students receive tutoring in the sciences, special science classes, and mentoring by faculty. Is this research or instruction?

The proper code for this project is instruction. Although the students eventually hope to become biomedical researchers, they are currently receiving academic instruction, not research training.