Grants - Determination of Non Research Grants

Procedure #: 600.160
Written By: Financial Services
Edited by: Office of Research and Grants

1.0 Introduction

A. Act 651 of state law requires that non research and non-student aid indirect costs be remitted to the state's general fund (article 2-65-70). Research is defined in article 2-65-15 as "an award of funds from the United States government or another entity for the principal purpose of systematic study or investigation to discover or establish facts or principles. The principle purpose of a research grant is not to provide services to the public or to the employees or clients thereof".

B. Each grant or contract needs to be reviewed and its purpose documented prior to charging indirect costs in order to determine whether the grant is for research or student aid (permitting the college to retain the funds) or whether it be non-research and the indirect cost recoveries should be deposited into the state's general fund.

2.0 Procedure

A. When a grant is placed on the accounting system, the Grants Accountant will review the documentation received with the grant to determine whether it is research or not. The final conclusion will be documented and the Director, Financial Services will review and sign off on the determination.

B. When it is unclear whether the project might be research or not, the following items will be reviewed and will be considered when making the determination of whether the project is research or not:

1. The description of the appropriation supporting the grant in the CFDA book may indicate whether the appropriation is for research of not. This would be weighted heavily in making the research/non research determination.

2. The OMB 2 CFR, Part 200 definitions of research will be reviewed.
3. Most grants for non-research do not permit full indirect cost recovery. Federal statute generally does not permit more than an administrative charge to be incurred. A grant providing full indirect cost recovery would most likely indicate a research grant. This factor would be considered but not be weighed as heavily as other factors.

4. If the project is subcontracted from another entity, that entity could be contacted to see if they have determined the project to be research or not.

C. When there are no indications that indicate that a project might be research, common sense will prevail. If the grant appears to be research from what is occurring then the Director, Financial Services will put the rationale for making that determination in writing. The college will err on the side of conservatism. If there is a real question of whether it is research or not, the project will generally be considered as non-research. The state auditors will generally review the determinations of those projects considered as research.

D. If the project is considered as not being research or student aid, or if the project does not include an award for indirect costs, the determination need not be documented and placed in the grant folder.