

Guidance for Activity Type and Corresponding Indirect Cost Rate

Much of the university's sponsored endeavors focus on Research. However, the university also undertakes projects that fall into Instruction, Equipment and Other Sponsored Activities. It is important to select the correct activity type at the proposal stage. The activity type carries through from the application to the award and has implications throughout the life of the award.

The Research, Instruction and Other activity categories align with Marquette's federally negotiated indirect cost rates; Research, Instruction and Other Sponsored Activities. Activities must use the appropriate indirect cost rate for that particular activity type or the university could be out of compliance and risk federal penalties (e.g., if a project is actually "Other" but uses the higher "Research" indirect cost rate).

Additionally, increasing research expenditures is a key goal in the University's Strategic Plan. Proposals that are identified as Research receive a 06 account designation at the time of award. Reports are run on the 06 award accounts, which are then used to report out on research expenditures both internally and on the National Science Foundation's HERD report. The university relies on accurate activity type reporting for grants.

The Office of Research and Sponsored Programs (ORSP) reserves the right to make the final determination on the activity type of an application/award.

The following provides further guidance on each activity type/rate.

Research: Research is creative and systematic work undertaken in order to increase the stock of knowledge — including knowledge of humankind, culture, and society — and to devise new applications of available knowledge. Research covers three activities defined below — basic research, applied research, and experimental development.

- Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view.
- Applied research is original investigation undertaken in order to acquire new knowledge. It is directed primarily towards a specific, practical aim or objective.
- Experimental development is systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.

(Definition taken from NSF HERD Survey Instructions.)

The Research activity type and indirect cost rate should be used for projects deemed to be Research.

Instruction: Instruction projects or programs involve instruction for registered Marquette University students who are receiving transcribed credits. If the project pertains to curriculum development followed by the implementation of that curriculum, the instruction activity type and indirect rate is applicable. If the project or program contains only curriculum development with no on-campus instruction or if the curriculum is being delivered to a non-Marquette student population, the Other Sponsored Program rate and activity type should be applied.

Equipment: Equipment is classified as a single item with a value of \$5,000 or more. Indirect costs cannot be taken on the purchase of equipment. If a project is a research proposal that involves purchasing equipment among other items, it should be classified as the activity type

“Research.” If the proposed request is solely equipment, as defined above, the Equipment activity type should be used. One caveat to note, National Science Foundation (NSF) awards that involve the purchase of a large piece of equipment (e.g., the Major Research Instrumentation) should be classified as “Research” per guidance from the NSF.

Other/Other Sponsored Activities: Other Sponsored Activities (OSA) are defined as projects funded by sponsors that involve the performance of work other than Instruction or Research or Equipment. Examples of OSAs may include:

- Public or community service activities.
- Support for students, staff, or teachers in elementary or secondary schools, or the general public, through outreach-related activities.
- Testing.
- Travel grants.
- Foreign capacity building projects.
- Support for conferences or seminars.
- Support for University public events in the arts.
- Support for projects pertaining to library collections or acquisitions.
- Projects where use of the Other Sponsored Programs rate is mandated by the sponsor.

A clinical trials indirect cost rate is not a federally negotiated rate and is most often used with industry-sponsored clinical trials. The university is working on establishing a separate rate specific to clinical trials.

Additional Notes

Finally, while activity types apply to all projects, corresponding federally negotiated indirect cost rates must be used whenever possible. If a sponsor has a publicly available, written policy on indirect cost rates, those rates will be honored for projects from federal, state or foundation sponsors. The federally negotiated rates will be used for all corporate sponsors.