***DEFINITIONS OF RATE TYPE[[1]](#endnote-1)***

***Organized Research***

**Organized research** means all research and development activities of an institution that are separately budgeted and accounted for. **Research and development** means all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions.

Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

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

Examples: Sponsored research projects; research training projects; all federally sponsored clinical trials and early stage (phase 1 and 2) non-federally funded clinical trials. Typically would include most projects conducted by research centers and institutes.

***Instruction***

Instruction means the teaching and training activities of an institution. Except for research training (which falls under the Organized Research definition), this term includes all teaching and training activities, whether they are offered for credits toward a degree or certification or on a noncredit basis, and whether they are offered through regular academic departments or separate divisions, such as a summer school division or an extension division.

***Other Sponsored Activities***

Other sponsored activities mean programs and projects financed by Federal and non Federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects, and community service programs.

1. ***Derived from the definitions provided in the following federal regulations:***

	* ***OMB Circular A-21: Cost Principles for Educational Institutions (Section B.1.b)***
	* ***OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (Subpart A–General, Section 2)***
	* ***OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations (Subpart A–General, Section 105)*** [↑](#endnote-ref-1)