# NACUBO Classification

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| **Effective Date:** | April 20, 2021 |
| **Function:** | Sponsored Programs/Award Establishment |
| **Contact:** | Sponsored Programs/ <br> RFCOSponsoredPrograms@rfsuny.org |

## Basis for Procedure

The NACUBO classifications provide a functional classification for expenses and are critical for reporting of Sponsored Program, unrestricted and other activity as well as used in the calculation of the Facilities and Administrative (F&A) rates. It is important that the NACUBO classification at the project and task levels are accurate based on how the campus anticipates spending the allocation. Expenditures are generally reported based on the NACUBO classification at the project. The classifications should be compliant with Uniform Guidance, 2 CFR part 200.

## Procedure Summary

This document is to serve as a guide for determining the correct NACUBO Classification for Award Set-up for Sponsored Program Activities. See Appendix A below for crosswalk from NACUBO to F&A rates.

## Procedure

Most Common Functions for Sponsored Programs:

| Function | General Description |
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| **Organized Research** | These are activities or functions organized to produce research and achieve specific research goals or developing training programs that are not course and curriculum development. This activity includes externally funded research or research funded from unrestricted funds that is accounted for and budgeted separately <br><br> Per Uniform Guidance: 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 (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the Instruction function. |

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| | Training of individuals in research techniques.<br><br>**CAUTION:** Awards titled "Fellowship" or "Research Training" by the sponsor may not fit the definition of Research Training. Often an award issued to a faculty member or researcher is Organized Research (see Below) | |
| | **Organized Research Types and Description** | |
| | Research: Basic/Applied | According to 32 CFR § 272.3, **Basic research** is systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. **Applied research** is designed to answer specific questions aimed at solving practical problems.<br><br>**Examples:** Basic-NIH R01, R03, R21; SBIR/STTR Phase I, K99/R00, other research grants/contracts; Applied- NIH R01, R21, SBIR, STTR, Phase II, NIH Career Development Awards (K awards) |
| | Research Development | Systematic use of knowledge or understanding gained from research directed toward production of useful materials, devices, systems, or methods, including design & development of prototypes & processes.<br><br>**Examples:** SBIR, STTR, Phase III (can include Phase II if FOA specifies for development stage), lab study and testing agreements that involve data analysis |
| | Clinical Trials | A human subjects research study, the primary purpose of which is to assess the safety and/or efficacy in humans of a drug, device, diagnostic, treatment, preventive measure, or similar intervention through testing of the intervention on patients in a clinical setting.<br><br>**Examples:** Exploratory Clinical Trials, Oncology Groups, Multi-Site Trials. |
| | Fellowship: Research Undergraduate/Graduate/Professional | Fellowships focused on training in research techniques, where the individual is a trainee and is not a permanent employee of a University. Stipends and/or Tuition are the primary budgeted expenditures. |

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| | | **Examples:** NIH, HRSA, AHA Individual Fellowships (F series), CDC Public Health Fellowship Opportunities |
| | Research Training | Activities involving training of individuals in research techniques where training is in the same facility as other research & development. |
| | | **Example:** NIH Research Training Grants (T series), SOME NIH R03 Awards for Dissertations with 8% IDC, NSF-IGERT (Research Training awards from NSF) |
| **Public Service** | Public Service projects are those projects that are designed to directly benefit a segment of the public and whose main aim is to enrich, educate, or improve the health or general well-being of people within that segment and not to measure the effectiveness of the project itself.  A project whose main aim is to measure the effectiveness of a project designed to benefit a group of people would be considered Organized Research.<br><br>Examples include conferences, general advisory services, consultation, broadcasting services, and non-instructional/testing services provided to sectors of the community | |
| **Educational Support** | These are activities or functions that provide support for educational and training programs generally within the institution. | |
| **Academic Support** | Academic Support includes activities that support services for the primary functions of instruction, research, and public service. This classification should be used to support academic administration and separately budgeted course and curriculum development. Includes the preservation, display or retention of educational materials and media, and services provided to the primary academic mission such as media and audio-visual services, curriculum development, and academic support. It includes: the retention, preservation, and exhibition of historical materials, art objects, and scientific displays - for example, museums and galleries; the provision of services that directly assist the academic functions of the institution, such as demonstration schools associated with a department, school, or college which provide a mechanism through which students can gain practical experience; media such as audiovisual services and technology such as academic computing support; separately budgeted support for academic personnel development (including professional conferences), course and curriculum development, and formal academic counseling activities.<br><br>Exceptions are Department or College level advising or counseling services, which would be coded as Student Services. | |
| **Organized Activities** | These are activities or functions that are budgeted and accounted for that provide support to specific objectives not related to another classification related to the institution's missions of instruction, research and public service. This classification should be used if it meets the descriptions below or if no other classification is applicable | |
| | **Organized Activities Types and Description** | |
| | IPA/Employee Assignment | Intergovernmental Personnel Act (IPA) agreements and other employee assignments where work is conducted on-site at another |

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| | | entity and the employee is reimbursed for the salary and associated expenses. IPA agreements established to support organized research should be classified as Organized Research.<br><br>Note: Many campuses have a separate F&A rate for IPA agreements.<br><br>**Examples:** IPA Agreements with VA or other federal agencies. |
| | Testing/Lab-Study | Testing/Lab Study is a type of Organized Activity. It generally involves repetitive, quantitative, non-experimental measurements under physically controlled conditions for which the data produced are expected to be within a pre-determined range of values or of reproducibility. Certain conditions apply, check with your Office of Sponsored Programs. |
| | Equipment | Tangible non-expendable personal property having a useful life of more than one year, and an acquisition cost of $5,000 or more per unit.<br><br>**Examples:** NSF MRI awards, NIH S10 awards |
| **Fellowships** | These are activities or functions that provide fellowships. This category includes students awards that are recorded as expense instead of reduction to Tuition & Fees, as in the case of Discounts & Allowances. Includes tuition & fee waivers, grants-in-aid, and trainee stipends. These are activities or functions that provide support for educational and training programs generally within the institution. Fellowships provided to support research or for research training should be classified as Organized Research (see above). | |

See the list of values documents for NACUBO definitions generally used for unrestricted and other activity that generally is not a sponsored project.

## Definitions
See general descriptions above for the definitions of the most widely used NACBUO Codes funding codes developed by The National Association of College and University Business Officers (NACUBO) which is a membership organization representing more than 1,900 colleges and universities that establishes accounting and financial guidelines.

## Related Information
Appendix A is a crosswalk between NACUBO classification and F & A rates.

The Oracle List of Values document that includes all NACUBO codes in the list of values in Oracle can be found at the following link, NACUBO Codes.

## Forms
None

## Change History

| Date | Summary of Change |
|---|---|
| April 20, 2021 | Definitions revised to reflect current NACUBO and Uniform Guidance Standards and for clarity for the end user. |
| 2011 | Copyright added. |
| February 2008 | Added "Libraries" to "Other Campus and Sponsored Program Support". |
| June 28, 2004 | Renamed "General Institutional Services" to "General Institutional Support". |
| February 26, 2004 | New Document |

## Appendix A
This schedule provides a crosswalk from the NACUBO classification assigned to an award to the F&A rate that should be used based on the campus federally approved rate agreement. Rate type applies to campuses that use the long-form F&A proposal. Campuses that use the short-form F&A proposal use the same rate for all programs depending on the on-campus, off-campus classification.

| Function | Rate Type |
|---|---|
| Organized Research | Research |
| Instruction, Training and Departmental Research | Instruction |
| Educational Support | Instruction |
| Academic Support | Instruction |
| Student Services | Instruction |
| Public Service | Other Sponsored Activities |
| Organized Activities | Other Sponsored Activities |
| Fellowships | Instruction |
| Scholarships | Instruction |
| Alterations and Renovations | Other Sponsored Activities |
| Sponsored Funds Administration | See note 1 |
| General Administration | See note 1 |
| Departmental Administration | See note 1 |
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| General Institutional Services | See note 1 |
| Libraries | Other Sponsored Activities |
| Institutional and Departmental Support | Instruction |
| Maintenance and Operations | Other Sponsored Activities |
| Scholarship Development Costs | Instruction |
| Student Services | Instruction |
| Student Financial Aid | See note 1 |
| Prizes and Awards | See note 1 |
| Intercollegiate Athletics | See note 1 |
| Residence Halls | See note 1 |
| Other Auxiliary | See note 1 |
| Food Service | See note 1 |
| Hospitals and Clinics | Other Sponsored Activities |
| Nursing Home Operations | Other Sponsored Activities |

Note 1

Function is generally not used for sponsored programs. When the classification is appropriate for a sponsored program either the Instruction or Other Sponsored Activity rate should be used depending on the nature of the program.

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