

Allocation of Research Funds

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Federal funds appropriated to Executive Branch agencies may be used in different ways, ranging from grants awarded to university researchers to supporting research at federal laboratories. While the competitive, merit review process for funding research is encouraged in most cases, there are appropriate roles for other modes of allocating research funding in some circumstances, such as funding research at specific facilities that have unique capabilities. In order to better understand and characterize the methods agencies use to allocate their research funding, agencies are asked to report how research funds are allocated by the following five categories:

1. Research performed at congressional direction
2. Inherently unique research
3. Merit-reviewed research with limited competitive selection
4. Merit-reviewed research with competitive selection and internal (program) evaluation
5. Merit-reviewed research with competitive selection and external (peer) evaluation

Use these definitions for allocating research funds to the five categories defined below:

- *Peer evaluation* means merit-reviewed by appropriately qualified scientists, engineers, or other technically qualified individuals who are apart from the people or groups making the award decisions.
- *Competitive selection* means applicants not prohibited from applying by highly restrictive criteria (e.g., by geography, by title, by affiliation with particular institutions, by past associations, by capabilities in unrelated or programmatically non-essential aspects other than long-standing statute or regulation).
- *Basic research* is defined as systematic study directed toward fuller 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 defined as systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.

The total allocation of research funds must equal the total amount reported for the conduct of basic and applied research. Exclude amounts spent on development.

Research performed at congressional direction	Intramural and extramural research programs where funded activities are awarded to a single performer or collection of performers with limited or no competitive selection or with competitive selection but outside of the agency's primary mission, based on direction from the Congress in law, in report language, or by other direction. Funded activities may be merit-reviewed prior to award.
Inherently unique research	Intramural and extramural research programs where funded activities are awarded to a single performer or team of performers without competitive selection. The award may be based on the provision of unique capabilities, concern for timeliness, or prior record of performance (e.g., facility operations support for a unique facility, such as an electron-positron linear collider;

	research grants for rapid response studies).
Merit-reviewed research with limited competitive selection	Intramural and extramural research programs where funded activities are competitively awarded from a pool of qualified applicants that are limited to organizations that were created to largely serve Federal missions and continue to receive most of their annual research revenue from Federal sources. The limited competition may be for reasons of stewardship, agency mission constraints, or retention of unique technical capabilities (e.g., funding set aside for researchers at laboratories or centers of DOD, NASA, Environmental Protection Agency, and National Oceanic and Atmospheric Administration; intramural programs at NIH; Federally-Funded Research and Development Centers; formula funds for the U.S. Department of Agriculture).
Merit-reviewed research with competitive selection and internal (program) evaluation	Intramural and extramural research programs where funded activities are competitively awarded following review for scientific or technical merit. The review is conducted by the program manager or other qualified individuals from within the agency program, without additional independent evaluation (e.g., DOD's merit-reviewed research; NSF's small grants for exploratory research).
Merit-reviewed research with competitive selection and external (peer) evaluation	Intramural and extramural research programs where funded activities are competitively awarded following review by a set of external scientific or technical reviewers (often called peers) for merit. The review is conducted by appropriately qualified scientists, engineers, or other technically-qualified individuals who are apart from the people or groups making the award decisions, and serves to inform the program manager or other qualified individual who makes the award (e.g., NSF's single-investigator research; NASA's research and analysis funds).

