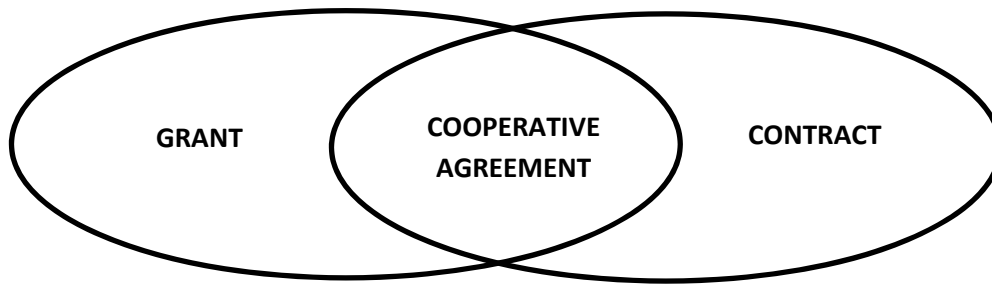


Federal Funding (Grants vs Cooperative Agreements vs Contracts)



	Federal Grants	Federal Cooperative Agreement	Federal Contracts
Basic Purpose	A flexible instrument designed to provide money to support a public purpose. Assistance with few restrictions.	A flexible instrument designed to provide money to support a public purpose. Assistance with involvement between parties.	A binding agreement between a buyer and a seller to provide goods or services in return for consideration (usually monetary). Procures goods or services.
Terms & Conditions	Governed by the terms of the grant agreement	Governed by the terms of the cooperative agreement	Governed by Federal Acquisition Regulations
Scope	Conceived by PI. Flexible as to scope of work, budget, and other changes	Conceived by PI. Typically flexible as to scope of work, budget, and other changes	Conceived by sponsor. Relatively inflexible as to scope of work, budget, and other changes
Solicitation	Application kit or guidelines	Request for application	Request for proposal or quote
Effort	Diligent efforts are used in completing research and the delivery of results	Diligent efforts are used in completing research and the delivery of results	Significant emphasis placed on delivery of results, product, or performance
Sponsor Involvement	None	Substantial involvement	Approves activity, expects results
Payment	Payment awarded in annual lump sum	Payment awarded in annual lump sum unless otherwise specified in the cooperative agreement	Payment based on deliverables and milestones
Re-budgeting	Flexible	Usually flexible	More restrictive
Reporting	Annual reporting requirements	Reporting requirements determined by the cooperative agreement	Frequent reporting requirements
Flexibility	Principal Investigator has more freedom to adapt the project and less responsibility to produce results	Substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement.	High level of responsibility to the sponsor for the conduct of the project and production of results

More about Federal Contracts: The federal government awards funds via a grant, cooperative agreement, or contract. Like a grant or cooperative agreement a Federal Contract is an instrument used by the Federal Government to provide funding for research and development projects. However, unlike a grant or cooperative agreement, the Federal Government uses contracts as a procurement mechanism. The primary purpose of the Federal Contract mechanism is to purchase services for the direct benefit or use of the United States Government. Federal Contracts are subject to a strict set of terms and conditions, including clauses from the Federal Acquisition Regulation (FAR) and usually require frequent reporting and a high level of responsibility to the sponsor. A failure to accomplish the agreed upon results or deliver the product on time and on budget could result in criminal and/or civil actions and/or financial consequences to the University, administrators, or others involved.