



OVERVIEW

A sponsor can fund research projects via different award instruments - assistance or procurement funding mechanisms.

By assistance, we mean financial support in the form of awards, which include grants and cooperative agreements that provide money to fund a project.

Procurement is the process in which a Federal agency acquires something, such as a service. A contract is established to delineate the terms of the exchange.

RULES & REGULATIONS

[OMB Circular A-110 Subpart B](#) provides guidance to Federal sponsors to decide what is the most appropriate award instrument.

The [Federal Grant and Cooperative Agreement Act \(1977\)](#) details the distinctions between contracts, cooperative agreements and grants.

	GRANTS	COOPERATIVE AGREEMENTS	CONTRACTS
Definition	Provides financial assistance to support a public purpose as delineated by sponsor guidelines Defined in OMB Uniform Guidance §200.51	Similar to a grant, provides financial assistance to support a public purpose Defined in OMB Uniform Guidance §200.24	Procurement of goods, services, or other deliverables. A binding agreement that outlines legal terms, a scope of work, deliverables/performance milestones and budget Defined in OMB Uniform Guidance §200.22
Sponsor Involvement	Minimal involvement from sponsor in oversight role	“Substantial involvement” from sponsor in implementation of program	Approves activity, expects results
Flexibility	High - Typically allows awardee significant flexibility in carrying out the project	Moderate - Can be changed or rescinded based on performance	Most restrictive - any changes or deviations from the agreed upon terms require modification through an Amendment
Distribution	Payment awarded in annual lump sum	Payment often awarded in annual lump sum, unless otherwise specified by agreement. Refer to: – Fixed price - FAR Subpart 16.2 – Cost-Reimbursement - FAR Subpart 16.3 – Time-and-Materials, Labor-Hour - FAR Subpart 16.6	Payment tied to deliverables and/or milestones
Governed by	Office of Management and Budget Cost (OMB) Uniform Guidance (UG)	Office of Management and Budget Cost (OMB) Uniform Guidance (UG)	Federal Acquisition Regulations (FAR Clauses) and Defense Federal Acquisition Regulation Supplement (DFARS)

Sources: SRAI International – Departmental Administration Research Essentials;
[Office of Management and Budget Cost \(OMB\) Uniform Guidance \(UG\) Part 200 - Subpart A—Acronyms and Definitions](#)