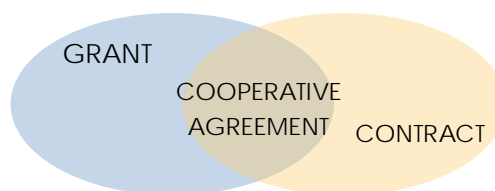


# Federal Grants, Cooperative Agreements, and Contracts

What is the difference?



Feature	Grant	Cooperative Agreement	Contract
Purpose	A flexible funding mechanism to support a public purpose.	A flexible funding instrument to establish a relationship between a federal agency and another recipient to support a public purpose.	Used for procurement of goods and services.
Award	Competitive proposal selected from a federal solicitation.	Competitive proposal selected from a federal solicitation.	May be unilaterally awarded at proposal stage.
Legal Concept	Funds are awarded to achieve objectives outlined by the federal solicitation. No legal action if objectives are not met.  Governed by terms of grant agreement and comply with Federal Grant and Cooperative Act of 1977	A legal instrument that establishes a relationship between a federal agency and a state, local, tribal government, or other organization.  Governed by terms of cooperative agreement and comply with the Federal Grant and Cooperative Act of 1977 that also cites a statute that allows the agency to support a project or activity.	Awardee is legally bound to produce results specified in the contract.  Governed by Federal Acquisition Terms.
Scope	Recipient (PI) defines the scope of work, budget, timeline, etc.	Recipient (PI) defines the scope of work, budget, timeline, etc.	Sponsor defined. Little flexibility in activity, budget, timeline, etc.
Flexibility	There is freedom to adapt the project and the grant is flexible to change in scope of work, budget and other project features.	Federal agency is involved in any change of activity outlined by the cooperative agreement.	Not flexible and must adhere to stated scope of work, budget, etc.
Sponsor Involvement	None	Substantial federal agency involvement.	Monitors activity and progress.
Payment	Awarded in annual lump sum	Unless specified in cooperative agreement, payment is awarded in annual lump sum.	Payment tied to deliverables and milestones.
Termination	Grantee can terminate.	Grantee can terminate.	There is no contractor right to terminate.
Reporting	Usually an annual report.	Outlined in agreement.	Frequent reports as outlined in the terms of the contract. Failure to perform can result in possible legal action and fiscal consequences.

\*Adapted from Purdue University Sponsored Programs Services -- [https://www.purdue.edu/business/sps/pdf/Grant\\_vs\\_Contract.pdf](https://www.purdue.edu/business/sps/pdf/Grant_vs_Contract.pdf)