

Federal Funding - Grant vs Cooperative Agreement vs Contract vs Other Transaction Agreements

	Federal Grant	Federal Cooperative Agreement	Federal Contract	Other Transaction Agreement (OT)
Basic Purpose	Provides funding to support a public purpose with minimal federal involvement in project activities	Supports a public purpose with substantial federal involvement in project activities	Procurement mechanism used to acquire goods or services for the direct benefit or use of the government	Procurement mechanism primarily used for research and development and innovation
Terms & Conditions	Governed by the grant agreement	Governed by the terms of the cooperative agreement	Governed by Federal Acquisition Regulations (FAR)	Governed by the terms of the OT Agreement
Scope	Initiated and defined by the Principal Investigator (PI); generally flexible in scope of work, budget, and changes	Initiated by the PI; generally flexible, but shaped by federal involvement	Usually defined by government; typically rigid in scope of work, budget, and allowable changes	Usually defined by PI and government in collaboration
Solicitation	Notice of Funding Opportunity (NOFO), application, or funding guidelines	Request for Application (RFA)	Request for Proposal (RFP) or Request for Quote (RFQ)	Broad Agency Announcement (BAA), Research Opportunity Announcement (ROA)
Effort	PI is expected to make a diligent effort to complete work and deliver results	PI is expected to make diligent effort, with oversight and input from the funding agency	Performance is deliverables-focused, with strong emphasis on outcomes and timelines	Performance usually deliverables-focused, with strong emphasis on outcomes and timelines
Sponsor Involvement	Minimal to none	Substantial involvement	Government closely monitors and controls the work; approvals required at multiple stages	Allows for substantial involvement
Payment	Typically paid in annual or periodic lump sums	Typically paid in lump sums unless specified otherwise in the agreement	Payment may be tied to specific deliverables or milestones	Payment typically tied to milestones
Re-budgeting	Generally flexible	Usually flexible, but subject to sponsor input	More restrictive; prior approval is often required for budget changes	May be flexible, but still subject to government approval
Reporting	Annual reporting requirements	Reporting requirements defined by the cooperative agreement	Frequent and detailed reporting requirements	Reporting requirements defined by the OT Agreement
Flexibility	High flexibility for the PI to adapt the project; less pressure to produce specific outcomes	Moderate flexibility; federal agency may influence changes during the project	Low flexibility; expectation is strict compliance with the contract	Dependent on the terms of the OT Agreement

This chart provides high-level general characteristics only. Every award is unique, and there are exceptions to every rule. Always read your award documents carefully!