

**STANDARD OPERATING PROCEDURE (SOP)**  
**UW Oshkosh Office of Sponsored Programs**

SOP Number: 25  
 Effective Date: 12/10/2020  
 Last Reviewed: 03/21/2022

Title:  
**Making Determinations Between Federal Grants,  
 Cooperative Agreements and Service Contracts**

**OSP Contact Information**

Business Hours: 8:00 a.m. to 4:30 p.m., Monday-Friday (excluding holidays).

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**I. Overview:**

The following procedure provides guidance on determining whether an award is considered a grant, service contract or cooperative agreement.

**II. Applicability:**

This procedure applies to any persons involved in making determinations on whether an award is considered a grant, service contract, or cooperative agreement. This may include the pre-award grants administrator, post-award grants accountant, Sponsored Programs Office, Principal Investigator (PI)/Co-PI, and Authorized Organizational Representative (AOR).

**III. Procedure:**

The table provided below was adapted from Purdue University's guidance documentation on making determination and distinctions between a grant, service contract, and a cooperative agreement. The table displays the key differences between the three funding mechanisms presented in this procedure which can be used as guidance by UW Oshkosh personnel who need to make an official determination when dealing with incoming awards. Award determinations can be made using this SOP as guidance. Certain awards may be awarded as a gift or scholarship. Individuals should also reference *SOP # 8: Gifts, Sponsored Projects and Scholarship Determination* for guidance and definitions of gifts and scholarships.

	<b>Federal Grant</b>	<b>Federal Cooperative Agreement</b>	<b>Federal Service Contract</b>
<b>Purpose</b>	Flexible funding mechanism designed to provide money to support a public purpose. Assistance with a few restrictions. Awardee leads the effort and reports progress to the sponsor	Flexible funding mechanism designed to provide money to support a public purpose. Involvement/collaboration from both the sponsor and awardee	Legal binding agreement between buyer and seller to procure a good or service. Seller provides goods and/or services and buyer provides monetary considerations.
<b>Terms &amp; Conditions</b>	Governed by terms of the grant agreement	Governed by terms of the cooperative agreement	Governed by Federal Acquisition Regulations (FAR) clauses
<b>Scope</b>	Conceived by PI. Provides flexibility to changes in scope of work, budget and personnel	Conceived by PI. Typically flexible as to changes in scope of work, budget and personnel	Conceived by Sponsor. Relatively inflexible as to changes in scope of work, budget and other changes
<b>Solicitation</b>	Application kit or guidelines	Request for application	Request for proposal or quote
<b>Effort</b>	Diligent efforts used in completing the research and delivery of results	Diligent efforts used in completing research and delivery of results	Significant emphasis on delivery of results, product, or performance

<b>Sponsor Involvement</b>	None	Substantial	Approves activity then expects results
<b>Payment</b>	Awarded in annual lump sum or on a payment basis as outlined in the grant agreement or award terms	Payment awarded in annual lump sum or on a payment basis as outlined in the grant agreement or award terms	Payment is based on deliverables and milestones
<b>Rebudgeting</b>	Flexible	Usually flexible	More restrictive
<b>Reporting</b>	Annual reporting, or reporting as outlined in the grant agreement or award terms	Reporting requirements determined by the cooperative agreement	Frequent reporting requirements
<b>Flexibility</b>	PI has flexibility to modify the project and less responsibility to produce results	Substantial involvement between the awardee and sponsor	Sponsor maintains high level of responsibility in project oversight and producing results

#### IV. Guidance Documents/Policy Links

[2 CFR 182.620](#): Cooperative Agreement

[2 CFR 182.650](#): Definition of Grant

[Legal Information Institute](#): Contract Definition

#### V. Templates/Forms

#### VI. Definitions

**Contract:** A legal binding document between sponsor and recipient that includes specific terms and conditions to provide funding in exchange for research, product or service. Research topic and methods for performing the work originate with the sponsor. Sponsor has more involvement and uses the project to achieve a desired outcome. Contracts are typically intended for specific results.

**Cooperative Agreement:** A federal cooperative agreement is an instrument designed to provide money to support a public purpose. Typically a financial assistance award for the conduct of research and other activities as specified in the application. Compared to a grant, the sponsor will have more involvement and decision-making authority during the period of performance.

**Grant:** Financial assistance awarded for the conduct of research or other activities as specified in an approved application and meant to support a public purpose. The applicant proposes the scope of work, not the sponsor. The sponsor usually anticipates little to no substantial programmatic involvement during the period of performance.

#### VII. Contact Information: For questions or comments please contact [OSP@uwosh.edu](mailto:OSP@uwosh.edu) or 920-424-3215

#### VIII. Revision History:

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