**Guidelines for Determining Type of Award**

The University has historically accepted an extramural sponsor’s designation of an award as either a cooperative agreement, contract, grant, or gift. The guidelines below summarize the ***general*** characteristics which distinguish one type of award from another.

**I. COOPERATIVE AGREEMENT**

* Generally, the same characteristics that apply to grants also apply to cooperative agreements. (See section on grants.)
* Involves equal participation between the University and the cooperating agency and sharing of costs, facilities, personnel, and services in order to conduct project.
* Connotation of public service inherent in this type of award.
* Indirect costs usually waived.

**II. CONTRACT**

* Proposal submitted for specific project in response to call for proposals from sponsor (RFQ, RFP).
* Pre-award negotiations held, particularly with respect to project budget.
* Contractual requirements specifically spelled out in language mutually acceptable to sponsor, the principal investigator, and the University. Terms and conditions in the areas listed below are common.
  1. Audit by or on behalf of sponsor
  2. Period of time for which award is made
  3. Performance required
  4. Provisions for payment
  5. Level and frequency of technical reporting
  6. Level and frequency of financial reporting
  7. Disposition of unexpended funds
  8. Patents costs, inventions, and ownership rights resulting from activities carried out under project.
  9. Indemnity and insurance requirements
  10. Reduced/revised work scope and corresponding change in budget
* Indirect costs applicable
* Award is reported to Contract Office and Grant Office

**III. GRANT**

* Proposal (usually unsolicited)
* Pre-award negotiations usually not required
* Contractual requirements may include all or some of the terms and conditions listed for contracts. Language is generally far less restrictive than that in a contract.
* Indirect costs applicable
* Award is reported to Contract and Grant Office, except for private grants which are also reported to OP Gifts and Endowments through campus development office.
* Includes State of California Interagency Agreements or Memoranda of Understanding

The following federal definition is also useful for distinguishing among types of awards.

The Federal Grant and Cooperative Agreement Act of 1977, P.L. 95-224 (Chiles Act) was passed with the objective of simplifying the administration of federal procurement and assistant programs. The Chiles Act defines contracts as federal procurement relationships, in contrast to grants and cooperative agreements which are federal assistance relationships. The primary purpose of assistance relationships is to provide federal aid or stimulation in accomplishing a public purpose for which federal involvement is authorized by statute. Grants are further distinguished from cooperative agreements by the degree of federal involvement anticipated: grants are to be used when federal involvement is not substantial, cooperative agreements when substantial involvement is anticipated.

**IV. GIFT**

* No formal proposal
* Pre-award negotiations not required
* Donor does not impose contractual requirements
* Funds are awarded irrevocably
* Indirect costs not applicable
* Award is reported to OP Gifts and Endowments Office through campus development office

[Back to Type of Award Code](http://legacy-its.ucop.edu/campus_specs/caf/type_awd_cd.html)