What is a Cooperative Agreement?¹

Both cooperative agreements and grants are “a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity” as defined in the OMB Uniform Guidance (§200.24 for cooperative agreement and §200.51 for grant agreement).

Both cooperative agreements and grants “transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose.”

So, What’s the One Big Distinction?

A cooperative agreement “is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.” Now the question becomes, what does “substantial involvement” from the federal government entail?

In general terms, “substantial involvement” refers to the degree to which federal employees are directly performing or implementing parts of the award program. In a grant, the federal government more strictly maintains an oversight and monitoring role. In a cooperative agreement, then, federal employees participate more closely in performing the program. When you read “cooperative,” think working “side-by-side.” The specific ways this involvement is integrated varies across programs and agencies.

Example of a Cooperative Agreement

A cooperative agreement can be a highly specialized research award in which federal staff are some of the relatively few experts in the field. In this case, the award may be defined as a “cooperative agreement” because the federal staff and non-federal award recipient will be conducting the research together in some way.

Key Takeaways

1. Grants and cooperative agreements are very similar.

2. The differences are in the details of implementation (i.e., cooperative agreements come with “substantial involvement” from the federal agency).

3. There are also legal implications from these different agreements, so be sure to ask the Office of Sponsored Programs if you have questions regarding any requirements of a grant or cooperative agreement.

¹ Grants.gov July 19, 2016 “What is...?” Blog Series