



Indian Health Service
Division of Grants Management
Grants and Cooperative Agreements
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History of Grants / Cooperative Agreements

- ▶ Enacted by Congress in the form of the Federal Grant and Cooperative Agreement Act of 1977, 31 U.S.C. 6301–6308.
- ▶ Reason: In the 1970's, Congress was concerned over the perceived misuse of assistance agreements – using assistance agreements to circumvent competition and procurement rules. To address these problems, and to ensure uniform Agency practices, Congress passed the Federal Grant and Cooperative Agreement Act of 1977 (FGCAA).



Federal Grants and Cooperative Agreements



- ▶ The FGCAA establishes government-wide criteria for determining the appropriate legal instrument for funding an activity.
- ▶ The FGCAA distinguishes between acquisition (procurement/contracts) and assistance (grants and cooperative agreements), based on the principal purpose of the legal relationship between the parties.



Grants vs Cooperative Agreements



- ▶ If the activity requires the assistance of the government but does not directly benefit the federal government, a cooperative agreement or grant is issued.
- ▶ Cooperative agreements are used for activities requiring the involvement of the agency funding the program.
- ▶ The distinguishing factor between a grant and a cooperative agreement is the degree of Federal participation or involvement during the performance of the work activities.
- ▶ Usually if the Project Officer participates in project activities, then a cooperative agreement is the proper funding mechanism.



Grants vs Cooperative Agreements



- ▶ If the principle purpose of the funded activity is to provide something for the direct benefit or use of the Federal government, then a contract is the appropriate legal instrument to use.



When is it appropriate to use a grant instrument?



When the primary purpose is to establish a relationship between the Federal government and organizations that receive direct financial assistance to accomplish a public purpose.

In situations where federal government involvement is not required or is minimal, a federal grant is usually issued.



What is the distinction between a grant and cooperative agreement?



Cooperative agreements require substantial programmatic involvement between the program office and the grant recipient.

...a grant does not...



For additional information regarding Grants and Cooperative Agreements please contact your assigned GMS directly or you may call the DGM main line of (301) 443-5204.

If you find further assistance is needed please contact:

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The Division of Grants Management would like to take this opportunity to thank you for being a part of this Grants Management sponsored training. DGM is dedicated to empowering our IHS grant community with the required knowledge and training needed for continued compliance of IHS policies, Indian laws, and HHS legislative and regulatory requirements.