

Federal Funding Mechanisms

	Grant	Cooperative Agreement	Contract	Other Transaction Authority
Description	Financial assistance to carry out a public purpose such as fundamental research and development.	Financial assistance to carry out a public purpose that also provides for substantial involvement of the Federal awarding agency in carrying out the activity.	Mechanism to procure goods, services, or property for direct benefit of the federal government. The delivery of research results for a particular purpose can be included.	Used by some agencies for research and prototyping activities.
Regulatory framework	2 CFR 200 and sponsor agreement terms.	2 CFR 200 and sponsor agreement terms.	Federal Acquisition Regulations (FAR), and agency implementations (e.g., DFAR, DEAR).	Not subject to 2 CFR 200 or FAR, but may contain elements of both.
Scope	Usually conceived by PI. Work plan and budget are flexible within regulatory framework.	Usually conceived by PI. Work plan and budget are flexible within regulatory framework. Federal agency is involved in carrying out the activity.	Usually conceived by the sponsor, perhaps in conjunction with the PI. Deliverables and/or milestones are specified.	Conceived by PI or sponsor. Flexibility varies.

What is fundamental (or basic) research? Basic research is systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. It includes all scientific study and experimentation directed toward increasing fundamental knowledge and understanding in those fields of the physical, engineering, environmental, and life sciences related to long-term national security needs. It is farsighted high payoff research that provides the basis for technological progress. (32 CFR 272.3)

Characteristics of fundamental research include:

- Research techniques used in the research are normally publicly available or are part of the published information of the research discipline.

- The resulting information is ordinarily published and shared broadly within the scientific community.
- Results are not restricted for proprietary reasons or specific national security reasons.
- Agreements do not contain requirements for publication approval (although might allow for prepublication review and comment to protect proprietary information or patent rights).
- No restrictions on participation in the project by non-U.S. citizens.
- Not subject to export control regulations.