Distinction Between a Grant and a Contract

The majority of support for research is awarded to the university in the form of research grants or contracts. Whether a project is grant oriented or contractual in nature depends primarily on the nature of the work to be performed as well as the terms or conditions under which this work is to be performed.

Research Grants

Grants provide financial support to university researchers to conduct research in a particular area or field. The objectives of the research are defined in a general fashion without any formed detailed stipulation as to the direction of such research. Grants normally possess the following characteristics:

- Funds are provided to cover the direct costs of research, i.e., salaries of research personnel (including students, postdoctoral fellows, research associates, technicians, secretarial and professional assistance), equipment (which is the property of the university), materials and supplies and travel.

- Funds are not normally provided to cover the direct or infrastructure costs of research including faculty time, as reflected in salaries and benefits, space for laboratories, administrative services, and operating and maintenance costs of physical plant. Accordingly, grants do not provide either direct or indirect remuneration to principal or co-investigators.

- Support is not tied to a specific performance outcome nor can it be retracted as a function of performance. Accordingly, payment to the university is generally made in advance of expenditures.

- There is no specific transfer of results to the grantor: however a final report stating the results of the research is usually submitted to the grantor. Knowledge created is ‘transferred’ by peer-approved means at the discretion of investigator(s) through publications, conference presentations, workshops, seminars, etc.

- Investigator(s) and the University of Manitoba jointly own any innovations arising from the project (e.g. software, new drug, new product/process).

Research Contracts

In contrast, a research contract is a formal agreement between legal entities, in this case, the University of Manitoba and the sponsor. Research contracts provide financial support to university researchers to conduct research in a particular area or field under specific stipulations and conditions.
These conditions may:

- specifically outline the scope and nature of the research.
- Define the deliverables.
- Establish ownership, patent rights and licensing arrangements.
- Provide for confidentiality of information supplied and created.
- Establish considerations for acceptance and/or termination of the contract.
- For all research that is of a contractual nature, the university seeks to fully recover both the direct and indirect costs.

For more information, contact:

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