

**Grant Administration:
Contractor Donations and
Discounts - March 17, 2023**

*When contractors offer to donate or discount part of their services, should you accept? **No!***

As attractive as donations and discounts can be, Federal and State grant rules require all purchases (a.k.a. *procurements*) to be free from conflicts of interest. When only part of the service is donated or discounted, the reduced cost provides a financial incentive to award the contractor the job. This is the very definition of conflict of interest. You can, however, accept the services if the contractor offers to *fully donate* their services and they are not awarded any paid work. The fully donated services can be used as part of the project's local cost share (match).

