

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).

