

A sponsored organization is a Federally Funded Research & Development Center (FFRDC) that is managed, administered, monitored, and funded by an Executive agency ([FAR, pg. 904](#)). A FFRDC means activities that are sponsored under a broad charter by a Government agency (or agencies) for the purpose of performing, analyzing, integrating, supporting, and/or managing basic or applied research and/or development, and that receive 70 percent or more of their financial support from the Government; and—

- (1) A long-term relationship is contemplated;
- (2) Most or all of the facilities are owned or funded by the Government; and
- (3) The FFRDC has access to Government and supplier data, employees, and facilities beyond that common in a normal contractual relationship ([FAR, pg. 50](#)).

A written sponsoring agreement between the Government and the FFRDC must be prepared. The sponsoring agreement may take various forms; it may be included in a contract between the Government and the FFRDC, or in another legal instrument under which an FFRDC accomplishes effort, or it may be in a separate written agreement. Notwithstanding its form, the sponsoring agreement shall be clearly designated as such by the sponsor.

While the specific content of any sponsoring agreement will vary depending on the situation, the agreement shall contain, as a minimum, the requirements specified below. The requirements for, and the contents of, sponsoring agreements may be as further specified in sponsoring agencies' policies and procedures. As a minimum, the following requirements must be addressed in either a sponsoring agreement or sponsoring agencies' policies and procedures:

- (1) A statement of the purpose and mission of the FFRDC.
- (2) Provisions for the orderly termination or nonrenewal of the agreement, disposal of assets, and settlement of liabilities. The responsibility for capitalization of an FFRDC must be defined in such a manner that ownership of assets may readily and equitably be determined upon termination of the FFRDC's relationship with its sponsor(s).
- (3) A provision for the identification of retained earnings (reserves) and the development of a plan for their use and disposition.
- (4) A prohibition against the FFRDC competing with any non-FFRDC concern in response to a Federal agency request for proposal for other than the operation of an FFRDC. This prohibition is not required to be applied to any parent organization or other subsidiary of the parent organization in non-FFRDC operations. Requests for information, qualifications or capabilities can be answered unless otherwise restricted by the sponsor.
- (5) A delineation of whether or not the FFRDC may accept work from other than the sponsor(s). If nonsponsor work can be accepted, a delineation of the procedures to be followed, along with any limitations as to the nonsponsors from which work can be accepted (other Federal agencies, State or local governments, nonprofit or profit organizations, etc.) ([FAR, pg. 904](#)).