35.003 Policy.

(a) *Use of contracts.* Contracts *shall* be used only when the principal purpose is the *acquisition* of *supplies* or services for the direct benefit or use of the Federal Government. Grants or cooperative agreements *should* be used when the principal purpose of the transaction is to stimulate or support research and *development* for another public purpose.

(b) *Cost sharing. Cost sharing* policies (which are not otherwise required by law) under Government contracts *shall* be in accordance with 16.303, 42.707(a) and agency procedures.

(c) *Recoupment. Recoupment* not otherwise required by law *shall* be in accordance with agency procedures.

Parent topic: Part 35 - Research and Development Contracting