

**Differences Between  
Traditional Cost Sharing  
and  
Challenge Partnerships**

<b>Traditional Cost Sharing</b>	<b>Challenge Partnerships</b>
PL 89-72	PL 102-580*
Fixed % (Normally 50%)	Flexible rate determined by mutual agreement
Rigid roles	Flexible roles
Can accept real estate from sponsor	Cannot accept real estate from partner
Sponsor operates	Corps operates
Cost share for any business function	Only Recreation & Natural Resources
Program management has lead	Operations has lead
Formal contract	Flexible agreement
Corps \$ year by year	Funds must be available in advance from operating funds. Way to stretch available funds.
Work accomplished over several fiscal years	Work generally accomplished during one fiscal year
Cost share only with non-Federal governmental entities	Cost share with non-Federal governmental and private entities
Normally with only one sponsor	May involve multiple sponsors on the same work activity

**\* Water Resources Development Act of 1992 (Public Law 102-580) Oct. 31, 1992 (33U.S.C. 2328) Section 225. Challenge Cost-Sharing (renamed Challenge Partnerships) program for the management of recreation facilities.**

- (a) **In General.** The Secretary is authorized to develop and implement a program to share the cost of managing recreation facilities and natural resources at water development projects under the Secretary's jurisdiction.
- (b) **Cooperative Agreements.** To implement the program under this section, the Secretary is authorized to enter into cooperative agreements with non-Federal public and private entities to provide for operation and management of recreation facilities and resources where such facilities are being maintained at complete Federal expense.
- (c) **Contributions.** For purposes of carrying out this section, the Secretary may accept contributions of funds, materials, and services from non-Federal public and private entities. Any funds received by the Secretary under this section shall be deposited into the account in the Treasury of the United States entitled "Contributions and Advances, Rivers and Harbors, Corps of Engineers (8662)" and shall be available until expended to carry out the purposes of this section.

Army Corps of Engineers guidance on Challenge Partnerships is ss follows:

Policy: [Chapter 12](#) - Challenge Cost-Sharing Program, ER 1130-2-500, dated 27 Dec 96 with Change 1 dated 17 Oct 97

Procedure: [Chapter 12](#) - Challenge Cost-Sharing Program, EP 1130-2-500, dated 27 Dec 96