

Dear Research Community,

Please read GCO's summary and recommendations on NIH's recently released notice "Updated NIH Policy on Foreign Subawards" below.

## **Summary: Foreign Subawards on NIH Grants and Cooperative Agreements**

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**May/June/July Competing Submission:** Please consider if a foreign subaward can be replaced domestically. If it cannot, in the Foreign Justification attachment clearly indicate how the subaward serves U.S. interests.

**Current Awards that Received Funding for this Federal Fiscal Year Already:** No changes at this time. Changes will impact you next year.

**Current Awards that Did Not Yet Receive Funding for this Federal Fiscal Year AND the RPPR is Already Submitted**

We await further guidance. Your award will likely be delayed and/or may skip funding this fiscal year. Please consider if the foreign subaward can be removed or replaced domestically. If yes, please reach out to GCO to discuss renegotiation of the award.

**Current Awards that Did Not Yet Receive Funding for this Federal Fiscal Year AND the RPPR is Not Yet Submitted**

Please consider if the foreign subaward can be removed or replaced domestically. If yes, **urgently** act on finalizing plans as part of preparing RPPR, and reach out to GCO to discuss renegotiation of the award. If no, submit as is, but make contingency plans if funding is disrupted.

You may be considering changing your current subaward to a consulting agreement. As a reminder, per the Uniform Guidance, it is the substance of the relationship, not the contractual vehicle, that determines if an entity qualifies as a subrecipient or consultant. In most cases, we cannot change a current subaward to a consulting agreement. Please refer to GCO's [Subawardee, Consultant, and Vendor Determination Checklist](#) for additional information.

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**Foreign Consultants:** Allowed at this time. However, consider minimizing if not necessary.

**Purchase of Unique Equipment or Supplies from Foreign Vendors:** Allowed at this time. Please remember to include the cost of tariffs in your budget.

**Non-Monetary Foreign Collaborations** (e.g., unpaid sharing of data, samples, materials, etc.). Allowed at this time.

**Domestic Subawards:** NIH plans to expand the new award structure to domestic subawards (i.e., independent award to the subaward with scientific progress reporting through the prime) in the future. We await future guidance.

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## Updated NIH Policy on Foreign Subawards

Notice Number: [NOT-OD-25-104](#)

## Key Dates

Release Date:

May 1, 2025

## Related Announcements

None

## Issued by

NATIONAL INSTITUTES OF HEALTH ([NIH](#))

## Purpose

This Guide Notice updates NIH policies and practices utilizing foreign [subawards](#). NIH recognizes that some recipients do not accurately report on subawards consistent with Federal Funding Accountability and Transparency Act (FFATA) subaward reporting requirements ([NIH GPS 8.4.1.5.5](#)), which state that recipients must report on all subawards/subcontracts/consortiums equal to or greater than \$30,000. This includes

awards that are initially below \$30,000 but subsequent grant modifications result in an award equal to or greater than \$30,000. This lack of transparency is particularly concerning in the case of foreign subawards, in which the United States government has a need to maintain national security.

In an effort to maintain strong, productive, and secure foreign collaborations in support of the NIH mission, NIH must ensure it can transparently and reliably report on each dollar spent. **Therefore, NIH is establishing a new award structure that will prohibit foreign subawards from being nested under the parent grant.**

**This new award structure will include a prime with independent awards that are linked to the prime that will allow NIH to track the project's funds individually, while scientific progress will be reported collectively by the primary institution, under the Research Performance Progress Report.**

**NIH anticipates implementing the new award structure by no later than September 30, 2025, prior to Fiscal Year 2026.**

### **Applicability**

NIH's policy change **applies prospectively** to all NIH grants and cooperative agreements to domestic and foreign entities (new, renewal and non-competing continuation).

NIH will not retroactively revise ongoing awards to remove foreign subawards at this time. NIH continues to support direct foreign awards. This policy applies to all monetary foreign collaborations.

It does not apply to funds provided to support foreign consultants, or purchasing unique equipment or supplies from foreign vendors. NIH plans to expand this policy to domestic subawards in the future, for consistency in implementing the new award structure.

### **Policy**

Effective with the date of this notice and until the details of the new foreign collaboration award structure are released, NIH will not issue awards to domestic or foreign entities (new, renewal or non-competing continuation), that include a subaward to a foreign entity. Additionally, NIH will no longer accept prior approval requests to add a new foreign component or subaward to an ongoing project. In all cases, NIH will allow Institutes, Centers and Offices (ICOs) to renegotiate awards, whether new, renewal or non-competing, to remove subawards to foreign entities and, where the work can be

performed domestically, allow the funds to be rebudgeted for use by the prime recipient (domestic or foreign) or a domestic subrecipient.

If a project is no longer viable without the foreign subaward, NIH will work with the recipient to negotiate a bilateral termination of the project, taking into consideration any need to support patient safety and/or animal welfare.

Notices of Funding Opportunities (NOFOs) that state that foreign components are allowed are superseded by this notice. NIH will revise NOFOs to reflect the new award structure.

## Inquiries

Please direct all inquiries to:

NIH Office of Policy for Extramural Research Administration

[OPERAleadership@mail.nih.gov](mailto:OPERAleadership@mail.nih.gov)

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Please contact the [GCO](#) with any questions you may have.

Sincerely,

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