

Foreign Subcontracts vs. Foreign Components

Foreign Subcontract - A formalized agreement whereby a research project is carried out by the recipient and one or more foreign organizations that are separate legal entities. Under the agreement, the recipient must perform a substantive role in the conduct of the planned research and not merely serve as a conduit of funds to another party or parties. These agreements typically involve a specific level of effort from the foreign consortium organization's PD/PI and a categorical breakdown of costs, such as personnel, supplies, and other allowable expenses, including F&A costs. The relationship between the recipient and the foreign collaborating organization(s) is considered a subaward relationship.

Foreign Components - The performance of any significant scientific element or segment of a project outside of the United States, either by the recipient or by a researcher employed by a foreign organization, whether or not grant funds are expended. Activities that would meet this definition include, but are not limited to, (1) the involvement of human subjects or animals, (2) extensive foreign travel by recipient project staff for the purpose of data collection, surveying, sampling, and similar activities, or (3) any activity of the recipient that may have an impact on U.S. foreign policy through involvement in the affairs or environment of a foreign country. Examples of other grant-related activities that may be significant are: collaborations with investigators at a foreign site anticipated to result in co-authorship; use of facilities or instrumentation at a foreign site; or receipt of financial support or resources from a foreign entity.

Source: National Institutes of Health. (2019, December). *NIH Grants Policy Statement*.
<https://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>