

Memorandum

To: Members of the Independent Citizens' Oversight Committee (ICOC)
From: Jennifer Lewis, Vice President, Operations; Rafael Aguirre-Sacasa, General Counsel
Re: Revisions to CIRM's New Award Management Policy
Date: December 11, 2025

As the CIRM team continues to enact its mission through the Strategic Allocation Framework, we must also make changes to our existing Grants Administration Policies to govern these Awards in this new era of CIRM. In June of this year, the ICOC directed the CIRM team to initiate the rulemaking process to adopt the new Award Management Policy (AMP). That process has nearly concluded. CIRM circulated the new regulation, received feedback from the public, and made additional revisions as a result. The final regulations are now before the Board for adoption, which will then be forwarded to the Office of Administrative Law for approval. These revisions are intended to strengthen consistency with federal guidance, mitigate institutional risk exposure to CIRM, and improve administrative clarity for Awardees.

I. Revisions

A. Effective Date

The AMP stipulates the applicability of this regulation on CIRM Awards. The original AMP proposed that the regulation would apply to currently active Awards on the start date of the next Budget or Operational Milestone Period. This effective date is not administratively efficient and clear for CIRM Awardees. Therefore, CIRM staff have revised the effective date of this AMP to apply to all currently active Awards six months from the regulation's effective date (i.e., following approval by the Office of Administrative Law) to ease the transition for Awardees.

B. Limitation of CIRM Liability

CIRM has inserted language requiring that an Awardee ensures that subcontractors or subrecipients agree to indemnify CIRM to the same extent as the Awardee. This language clarifies an Awardee's obligation to indemnify CIRM while preserving their administrative discretion with regard to subcontractor coverage. The revised AMP also clarifies an Awardee's indemnification obligation with regard to their "use or application of any data, results, materials, or inventions resulting therefrom." to include "any claims arising out of or relating to such use or application." The AMP language was also updated to allow an Institution to provide equivalent protection under a self-insurance structure if an Institution is not insured under a commercial policy provided the Institution adds CIRM as an additional covered party under Awardee's self-insurance program for the duration of the Award and provides an annual certification to CIRM to that effect.

C. Allowable Facilities and Indirect Costs

CIRM's indirect costs calculation has aligned with the Office of Management and Budget. The current AMP dictates that the Total Modified Direct Costs is exclusive of the costs of Equipment, Tuition and Fees, Research Patient Care Costs, and the total costs of each service contract, Subcontract and Consultant agreement in excess of \$25,000. This revised AMP changes the limit for this exclusion to \$50,000 to match

the Office of Management and Budget Uniform Guidance CFR 200.1 “Modified Total Direct Cost (MTDC)” and stipulates that this is applicable to all existing Awards.

D. Equipment

CIRM’s definition for Equipment includes parameters on the determination of the acquisition costs which equals or exceeds the lesser of the capitalization level established by the Awardee for financial management purpose or \$5,000. This revised AMP changes the limit to \$10,000 to align with the Office of Management and Budget Uniform Guidance 2 CFR 200.1 “Equipment”.

E. Unobligated Funds

If an Awardee has Unobligated Funds at the end of an Award these shall be returned to CIRM no later than 30 days of the final report deadline (reference Section V, B. and Section V, L, 4d). This is also stipulated in Section V. R. Failure of Compliance indicating that unused funds must be returned no later than 30 days of termination of the Award. This revision corrects this inconsistent language and aligns with the limited lifespan in operations and urgency of CIRM’s mission.

F. Carry Forward of Unobligated Trainee Funds

CIRM’s Training Programs include cost categories for all program activities. The originally proposed AMP indicated that unobligated trainee funds would require prior approval from CIRM. In review of CIRM’s strong compliance controls and provide flexibility and efficiencies for Awardees, this language has been revised to allow carry forward of unobligated trainee funds without prior authorization for the purpose of increasing the number of trainee positions in the next Budget Period.

G. Principal Investigator (PI) and Program Director (PD) Eligibility

This revision updates the eligibility language for PIs and PDs to clarify that background checks may be required, as appropriate, to align with varying institutional policies and risk profiles. This change is to conform with current compliance practices and risk management of the variety of institutions that apply to CIRM.

II. Requested Action

The CIRM Team requests the ICOC adopt the revised Award Management Policy to enable closure of the rulemaking process.

Exhibits to Memo:

1. Exhibit 1: Award Management Policy Final Version (AMP)
2. Exhibit 2: 6/26/2025 Memo Re: New Award Management Policy