

Approval of Allowable Facilities Rates

Doug Kearney, Director of Grants Management
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Purpose

With the adoption of the AMP, CIRM needs to bring an overhead policy before the Board for approval. CIRM has the opportunity to simplify and clarify the policy around Allowable Facilities Rates for Awardees and the CIRM team.

Current Active Policy

Facilities and Administrative funding for costs incurred conducting or supporting research that cannot be readily identified as benefitting research projects.

There are two types:

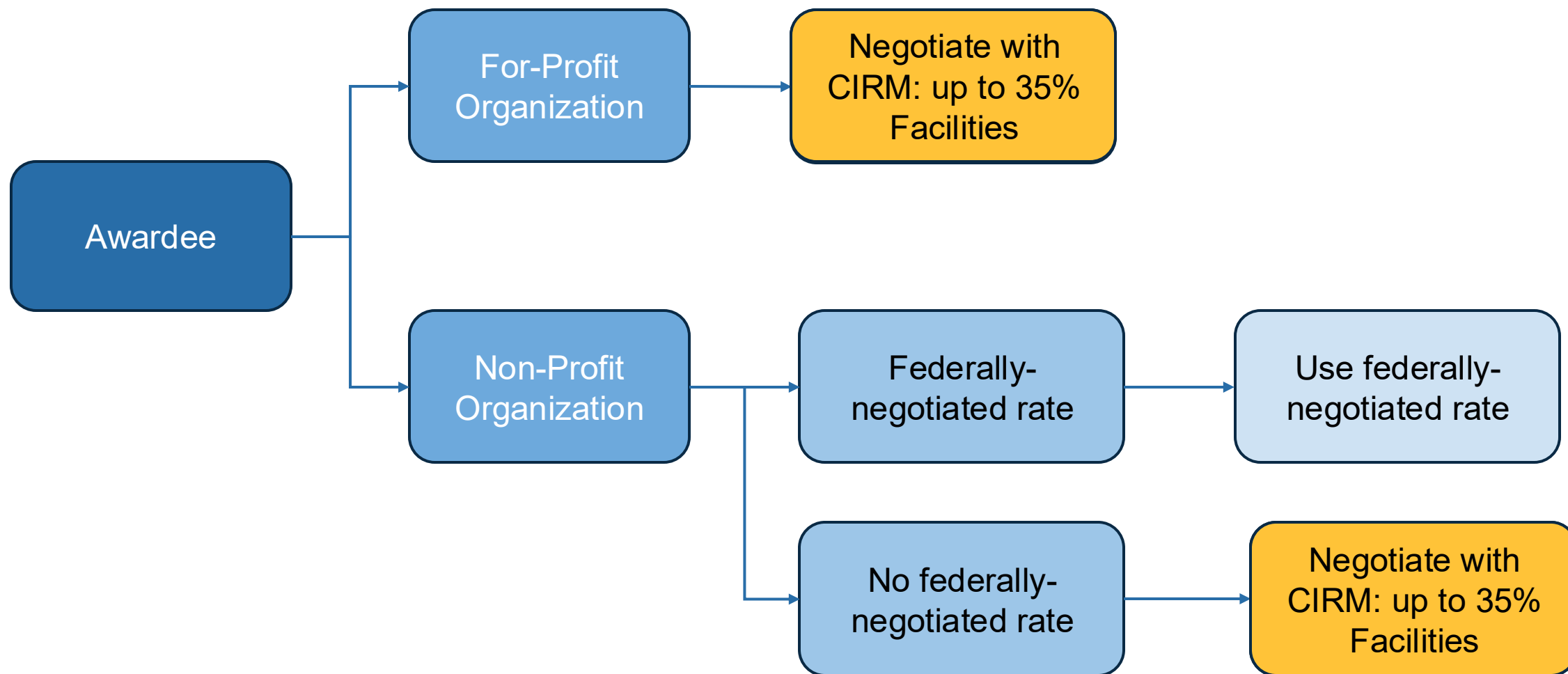


Facilities costs cover general operating costs of the Awardee's facility



Administrative costs include general administration and expenses

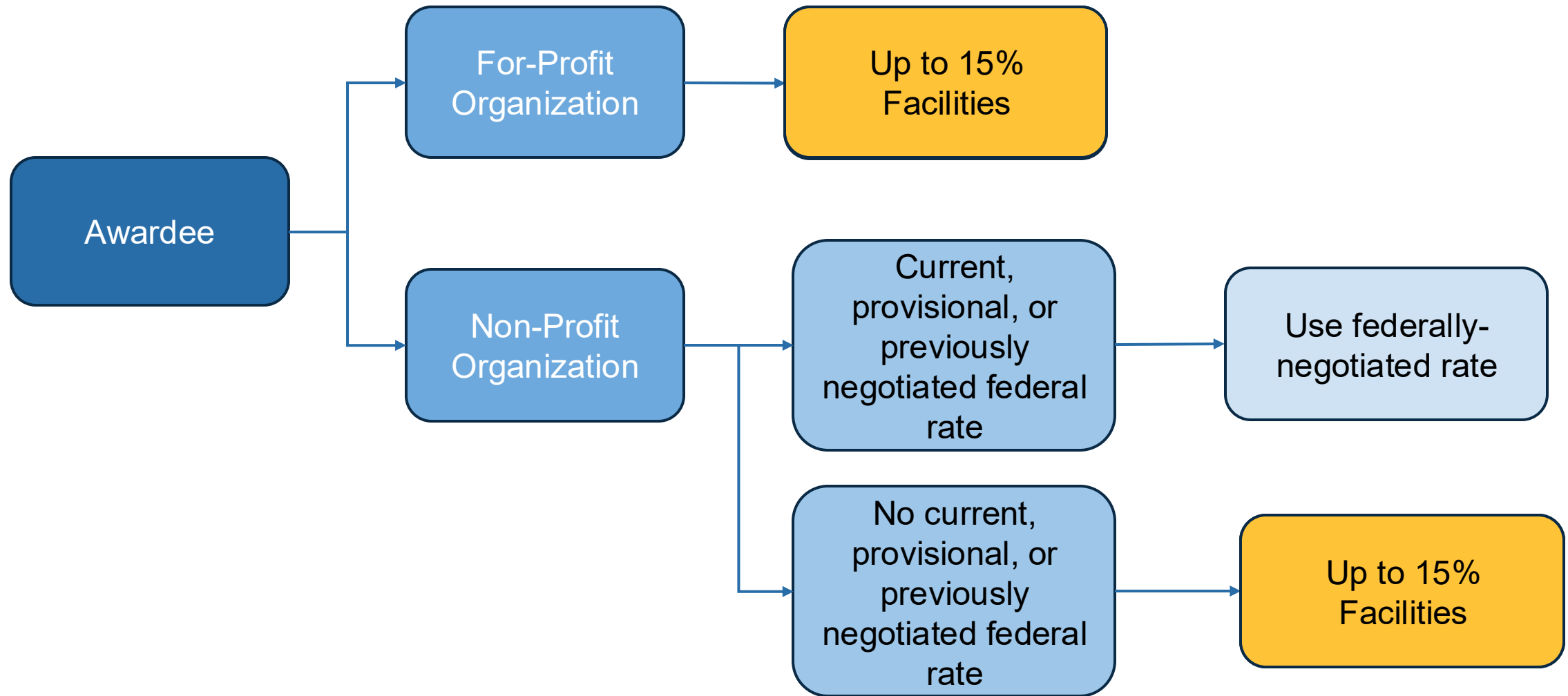
Current Policy Flowchart



New Facilities Rates

- CIRM's Award Management Policy goals are **simplicity** and **clarity** for both Awardees and CIRM.
- **Proposal: Align all CIRM Facilities rates with federal government practices.**
 - Awardees with federally negotiated or provisional rates can use them in CIRM Application budgets
 - Awardees without current, provisional, or previously negotiated federal rates can use the federal government's Facilities & Administration limit at the time of application

New Policy Flowchart



Impact (Non-Profit)

- **Non-Profit Organizations with federally-negotiated rates in the last 5 years**
 - No impact. This is true for 96% of our Non-Profit awardees.
- **Non-Profit Organizations without a federally-negotiated or provisional rate in the last 5 years**
 - Lowers the Facilities limit from 35% to 15%
 - No requirement to provide or adjudicate backup documentation – less burdensome

Impact (For-Profit)

- **For-Profit Organizations**

- Lowers the Facilities limit from 35% to 15%
- No requirement to provide or adjudicate backup documentation – less burdensome
- The majority of For-Profit Orgs do not request Facilities funds
 - For-Profit Orgs have more flexibility to maximize direct costs in a total-cost capped Award (all current opportunities)

Benefits

- Simplifies Award launch & provides clearly defined policy for CIRM staff and Awardees by aligning CIRM with the federal practice
- Eliminates increased Facilities costs to organizations who have not gone through rigorous federal rate negotiations
- Retain the flexibility to adopt a new model, as needed, to adequately support California institutions

Request for Board Action

The CIRM team requests the ICOC approve the Allowable Facilities Rate structure.