period, the NGA may be amended in response to Prior Approval Requests or documentation of GMO implementation of the GAP regulations.

IV. AWARD ACCEPTANCE

An Award is accepted when an NGA is signed by the PI and AOO or AEO, and returned to and received by CIRM. In accepting an Award, the PI and Grantee assure CIRM that any funds expended under the Award will be for the purposes set forth in the approved Application. Further, the PI and Grantee agree to comply with terms and conditions of all applicable CIRM regulations, including this Grants Administration Policy. The NGA must be signed and returned to CIRM within 45 days (or more, if extended in writing by CIRM) of issuance. Payment will not be issued until the Award is accepted. If the PI or Grantee cannot accept the Award, including the legal obligation to perform in accordance with its provisions, they shall so notify CIRM in writing immediately upon receipt of the NGA.

Urgency is one of the component values of CIRM's mission. Therefore, CIRM requires that all NGAs have a start date no later than six (6) months after the date the ICOC approves an Application for funding, unless this provision is waived in writing by the President.

V. PAYMENT AND USE OF FUNDS

A. Payment

Once CIRM has a fully-executed NGA, it ~~will~~ may initiate payments for the first Budget Period. For Grantees from any University of California campus, payments may be made on a prospective or reimbursement basis. The schedule of payments will be negotiated by CIRM and the Grantee prior to issuance of an NGA. Payments for each subsequent Budget Period ~~is~~ are contingent on the receipt and acceptance by CIRM of the financial, progress, and other reports due for the prior Budget Period; applicable public policy assurance documents (e.g., SCRO, IRB, and IACUC); and any requests for budget changes applicable to the new Budget Period.

B. Costs and Activities

CIRM funds shall only be used for expenditures necessary to carry out the approved Application. Specific allowable or unallowable costs may be described in the RFA or the NGA. In accordance with Proposition 71, Direct Research Funding Costs include scientific and medical funding for an approved research project and the general operating costs of Facilities for conducting the approved project.

1. Pre-Award Costs

After the ICOC approves an Application for funding, a Grantee may, at its own risk and without Prior Approval, incur obligations and expenditures to cover costs up to 90 days prior to the effective date of Award if such costs are

necessary to conduct the project and would be allowable if the Application were funded. If specific expenditures or activities would otherwise require Prior Approval, the Grantee must obtain CIRM approval before incurring the cost. A Grantee's decision to incur pre-award costs in anticipation of an Award imposes no obligation on CIRM either to make the Award or to increase the amount of the Approved Budget if an Award is made for less than the amount anticipated and is inadequate to cover pre-award costs incurred. Grantees are on notice that a decision to incur pre award costs is a decision to borrow against future support and that such borrowing must not impair the Grantee's ability to accomplish the project objectives in the approved time frame or in any way adversely affect the conduct of the CIRM-funded Project.

~~1.~~2. **Allowable Project Costs and Activities**

Project costs are those costs that can be specifically identified with a CIRM-funded Project or Activity. Unless otherwise specified in an RFA or NGA, allowable project costs include salary for ~~investigators~~ personnel (detailed below), fringe benefits, itemized supplies, Stipends and Tuition and Fees (as defined in chapter VI, section C, *Allowable Costs and Activities for Training Grants*), research animal costs, Consultants, itemized clinical study costs, travel-related expenses (detailed below), itemized project-related Equipment (as approved), publication costs, service contracts, Subcontracts, and specific, identifiable administrative costs where required to carry out the approved project. (For specific allowable costs related to training grants see chapter VI, section C, *Allowable Costs and Activities for Training Grants.*)

Subcontracts or consulting agreements with individuals or organizations located outside the State of California must be justified and are limited to $15,000 per agreement per Budget Period and $25,000 per Budget Period in aggregate unless Prior Approval is sought and obtained during administrative review.

Salaries for ~~PIs and PDs and Key~~all p~~P~~ersonnel shall not exceed an annual rate of $213~~07~~,000. CIRM will adjust this limitation biennially beginning July 1,2012~~0~~ as follows: (a) the base dollar amount of $213~~07~~,000 shall be increased or decreased by the cumulative percentage change in the annual average California Consumer Price Index for All Urban Consumers from 2010~~08~~ to the end of the calendar year immediately preceding the year in which the adjustment will take effect and (b) the dollar amount obtained by Application of the calculation set forth in subdivision (a) shall be rounded to the nearest $1,000. The resulting figure shall be the adjusted maximum annual salary in effect until June 30 of the next even-numbered year. Biennial adjustments will be posted at www.cirm.ca.gov.

Allowable travel-related expenses for both domestic and international travel include costs for transportation, lodging, subsistence, and related items incurred by ~~Key~~ all p~~P~~ersonnel on project-related business. Reimbursement for transportation expenses shall be based on the most economical mode of

transportation (e.g., coach fare) and the most commonly traveled route consistent with the authorized purpose of the trip. Reimbursed lodging and subsistence expenses must be ordinary and necessary to accomplish the official business purpose of the trip. Travel-related expenses shall not exceed an annual allowance of $5,000 per person per CIRM Award unless otherwise approved via Prior Approval Request to CIRM.

~~2.~~3. Unallowable Project Costs and Activities

Unallowable project costs and activities cannot be charged to CIRM funding and include but are not limited to visa expenses for foreign nationals, malpractice insurance, membership dues, furniture, telephone equipment, personnel recruitment, receptions, and cost of food or meals unrelated to allowable travel expenses.

~~3.~~4. Allowable Facilities Costs

Facilities costs cover general operating costs of the Grantee's facilities attributable to housing all elements of the CIRM-funded Project or Activity. Grantees may request two categories of facilities costs: (a) costs based on the Grantee's current, federally negotiated rates for Operation and Maintenance Expenses, and for Library Expenses; and (b)(1) costs based on the grantee's current, federally negotiated rates for depreciation or use allowances on buildings, capital improvements, and Equipment, and for interest on capital debt, as a proxy for a market lease rate of reimbursement (Health and Safety Code section 125292.10, subdivision (u)); or (b)(2) the actual out-of-pocket lease cost incurred by a Grantee if the Grantee leases space to conduct approved research; this cost must be reported in the Annual Financial Report (see chapter V, section H, part 1, *Annual Financial Report*). Grantees may request both categories (a) and (b) as allowable facilities costs. Rates from both categories shall be applied to the total allowable project costs exclusive of costs of Equipment, Tuition and Fees, and Subcontract and Consultant Fees~~amounts~~ in excess of $25,000 per Budget Period.

~~4.~~5. Unallowable Facilities Costs (Major Facilities)

A facility constructed with funds awarded in a CIRM Major Facilities Grant (i.e., a facility Grant subject to 17 Cal. Code Regs. § 100701) shall be used only for stem cell research and stem cell-related research. Each such "Major Facility" will house stem cell and related research funded by CIRM and other sources. An institution that receives a CIRM Major Facilities Grant shall locate CIRM-funded research activities in the Major Facility as described in the NGA for the CIRM Major Facilities Grant.

Beginning on the date of occupancy projected in the NGA for a CIRM Major Facilities Grant, on a going-forward basis, CIRM will not fund the facilities costs for category (b) ("Facilities Part B") noted in paragraph 3 above for any currently active or subsequently funded CIRM research Grant located in a CIRM Major Facility.

CIRM will calculate on an annual basis the cumulative amount of the Facilities Part B reductions for all research grants to an institution or members of a consortium or facilities collaboration. Once this cumulative reduction equals the amount funded under the CIRM Major Facilities Grant (adjusted for the annual cost of funds) to an institution, consortium or facilities collaboration, Facilities Part B funding will be restored to all CIRM funded research grants to those institutions.

~~5.~~6. **Indirect Costs**

The specific percentage allowable for an RFA will be stipulated in the RFA. Per Proposition 71, Indirect Costs ~~will~~ are ~~be~~ limited to a maximum of 25 percent of allowable~~-~~ Direct Research Funding Costs, exclusive of the costs of Equipment, Tuition and Fees, and combined cost of Subcontract amounts~~s~~ and~~or~~ Consultant Fees in excess of $25,000 per Budget Period.

~~6.~~7. **Interest Earned on CIRM Funds**

~~Interest earned on CIRM funds must be reinvested in the program that the funds support. Carry forward reported on a financial report must include any interest earned during the expired Budget Period. Interest on CIRM funds may be determined according to the Grantee's own interest cycle but, at a minimum, must be calculated at a monthly rate. Grantees are required to include a copy of the interest calculations in their financial report.~~

C. Budgetary Overlap

CIRM funds shall only be used for expenditures directly related to the approved Application. CIRM funds cannot be combined with the operating budgets of the Grantees and may not be used for any fiscal year-end expenditures or deficits not directly related to the Award. Budgetary overlap, defined as using funds from more than one source to cover the same item or the same part of a budgetary item (e.g., salary, Equipment), is not permitted.

~~**Pre-award Costs:** After the ICOC approves an Application for funding, a Grantee may, at its own risk and without Prior Approval, incur obligations and expenditures to cover costs up to 90 days prior to the effective date of Award if such costs are necessary to conduct the project and would be allowable if the Application were funded. If specific expenditures or activities would otherwise require Prior Approval, the Grantee must obtain CIRM approval before incurring the cost. A Grantee's decision to incur pre-award costs in anticipation of an Award imposes no obligation on CIRM either to make the Award or to increase the amount of the Approved Budget if an Award is made for less than the amount anticipated and is inadequate to cover pre-award costs incurred. Grantees are on notice that a decision to incur pre award costs is a decision to borrow against future support and that such borrowing must not impair the Grantee's ability to accomplish the project objectives in the approved time frame or in any way adversely affect the conduct of the CIRM-funded Project.~~

D. Prior Approval Requirements

PIs and Grantees must perform project activities as described in the approved Application. A PI and Grantee must request and obtain prior written approval for pre-award or post-award changes described below by submitting such requests in writing together with appropriate justification for the proposed change. Such approval will be granted in the form of an amendment to the NGA and must be obtained before expending CIRM funds for the proposed activity. The following ~~are examples of~~ changes ~~that~~ require CIRM Prior Approval (see chapter VI, section D, *Prior Approval Requirements for Training Grants* for additional Prior Approvals that apply specifically to T~~t~~raining G~~g~~rants):

1. **Change in Scope**
   The PI and Grantee must obtain Prior Approval in writing via an amendment to the NGA for any change that constitutes a significant deviation from the aims, objectives, experimental design, or purposes of the approved Application (hereafter "change in scope"). When considering such a change, the PI should consult with the GMO and SPO. Examples of actions likely to be considered a change in scope requiring ~~-~~Prior Approval include but are not limited to:
   - **a.** ~~Any change~~The addition, deletion, or modification of ~~in the~~ the S~~s~~pecific A~~a~~ims or Milestones in the approved Application, NGA, or any amendments to the NGA
   - **b.** Any change that introduces ~~in~~ the use of live vertebrate animals~~, or~~ Human Subjects, or covered stem cells that was not previously proposed or approved under the award; ~~from that described in the approved Application and as approved by the IRB or IACUC~~
   - **c.** Shift in the research emphasis from one disease area to another; or
   - **d.** Transfer of the performance of substantive funded activities to a third party not previously identified in the approved Application, NGA, or any amendments to the NGA
   - ~~**d.**~~**e.** Milestones and success criteria set out in the NGA or any amendments to the NGA

2. **Carry Forward of Funds**
   PIs and Grantees must obtain Prior Approval to carry forward from one Budget Period to the next unexpended funds exceeding the lesser of $200,000 or 25 percent of the ~~annual~~ working budget for the expiring Budget Period. Absent Prior Approval, any amount that exceeds this limit will be deducted from payment of funds for the next Budget Period. If the carry-forward amount is greater than ~~50 percent of the expiring Budget Period's project costs,~~$200,000 CIRM may elect to postpone the next scheduled payment of funds ~~for the next Budget Period~~. At the end of a Project Period, any u~~U~~nexpended funds must be returned to CIRM within 120 days of the Project Period end date.

3. **No-Cost Extensions**
PIs and Grantees may request a one-time, no-cost extension ~~(NCE)~~ of the Project Period end date of up to one year. A request and justification for a no-cost extension must be submitted to the GMO in writing at least 30 days prior to the original Project Period end date.

4. **Rebudgeting**
Recipients must spend CIRM funds in conformance with the budget stated in the NGA and any amendments to the NGA. Except as provided below, Prior Approval is required for any changes in the Approved Budget.

   a. **Personnel or Supplies** –Prior Approval is required only if rebudgeting would change (i.e., increase or decrease) the total budget of either category by the lesser of ~~more than $5,000, **and** the change exceeds~~ $100,000 or 25 percent of the ~~previously approved total~~working budget for that category~~. The budget total~~which includes any carry-forward amounts.

   b. **Travel** –Prior Approval is required only if rebudgeting would change (i.e., increase or decrease) the total budget of this category by more than $2,000, **and** the change exceeds 25 percent of the ~~previously approved total~~ working budget for this category, which~~. The budget total~~ includes any carry-forward amounts.

   c. **Consultants ~~or~~ and Subcontracts** –Prior Approval is required only if rebudgeting would change (i.e., increase or decrease) the total budget of ~~either~~ the category by ~~more than~~ ~~$1,500,~~ ~~**and**~~ the lesser of $100,000 or ~~change exceeds~~ 25 percent of the ~~previously approved total~~ working budget for that category, which~~. The budget total~~ includes any carry-forward amounts.

   d. **Equipment** – Prior Approval is required to purchase items of Equipment that are not ~~part~~ listed in of the approved ~~Award budget~~NGA or any amendment to the NGA. Prior Approval is ~~not~~ required if the ~~cost of~~ budget for Equipment has ~~not~~ increased by ~~more~~ lesser of ~~than~~ $100,000 or~~1,500~~ ~~**and** the change does not exceed~~ 25 percent of the working budget for that category, ~~Approved Budget shown in the NGA. The budget total~~which includes any carry-forward amounts.

A request for rebudgeting may be submitted to the GMO at any time after the ICOC approves an Application for funding and before the end of the Project Period. Requests must specify the budget categories affected by any proposed change and the reason for the change.

When a budget change would trigger an increase in the calculation of Facilities and Indirect Costs, CIRM will not fund any increase in the calculation of Facilities and Indirect Costs. ~~If a budget change triggers a~~

~~decrease in the calculation of Facilities and Indirect Costs, CIRM will reduce payment of Facilities and Indirect Costs in the next Budget Period by a corresponding amount.~~

5. Relinquishment of Award and Award Transfer

A Grantee may at any time relinquish an Award or Application approved for funding by the ICOC by submitting a relinquishing statement that includes a) a statement of reasons for relinquishing the award; b) an estimate of the unexpected balance of any funds paid to the Grantee; c) and an assurance that all unexpended balance of any funds will ~~either~~ be returned to CIRM~~, or in the case of an Award transfer, transferred to a new Grantee~~ within 90 days of the date of relinquishment. In the case of a transfer, the relinquishing Grantee may be required to transfer CIRM-funded equipment purchased with the Award.

With Prior Approval, an Award may be transferred to another eligible organization when a PI transfers from a Grantee to that organization. CIRM approval will be contingent upon the Grantee relinquishing rights to the Award among other considerations.

The transferee Grantee must submit to CIRM a letter that states its intention to assume responsibility for the Award based on the approved Application, and that encloses the following items:

a. A new Application ~~face page~~ with original signatures
b. Detailed budget(s) for the remaining Project Period (including the estimated unexpended balance from the relinquishing Grantee). The originally approved budget prevails when an award is transferred. CIRM does not have authority to increase the award amount without ICOC approval.
c. Biographical sketches for new Key Personnel
d. Description of facilities and resources
e. Public policy assurances (e.g., Human Subjects, animal, biohazard), where applicable.

If the President determines that the proposed transferee Grantee is eligible and can fulfill the responsibilities of the relinquishing Grantee, CIRM will approve the transfer by cancelling the original NGA and issuing a new NGA to the transferee Grantee. Transfer of the Award will be effective when CIRM receives the new NGA executed by the PI and the AOO or AEO of the transferee Grantee. Payment will not be issued until the Award transfer is effective.

6. Change in PI or Co-PI Status or Percent Effort

Prior Approval is required for the PI or Co-PI to decrease his/her percent effort on the approved project by 25 percent or more (e.g., from 40 percent to 30 percent or less) of the level specified in the approved Application.

In addition, Grantees must notify CIRM immediately if any of the following changes in PI or Co-PI status occur:

a. The PI~~'s~~ or Co-PI's status at the Grantee organization changes (e.g., from full-time to part-time appointment, from paid to an unpaid position or from employee to a non-employee position).

b. The PI or Co-PI withdraws from the project, takes a leave of absence, or is expected not to be involved in the day-to-day conduct of the approved project for a continuous period exceeding 90 days.

c. The PI orCo-PI is no longer eligible (under either the standards of the Grantee or the criteria in the RFA) to serve as a PI.

If CIRM determines that a PI or Co-PI's change in status will adversely impact the conduct of the CIRM-funded Project as described in the approved Application, CIRM will so notify the Grantee. The Grantee may respond to such notification by seeking approval to substitute an eligible PI that is satisfactory to CIRM. CIRM may terminate the Award if no request is made or if the proposed substitute PI or Co-PI is not satisfactory. The Grantee shall return to CIRM all unexpended funds within 120 days of termination of the Award. In general, CIRM will not approve a substitution of PI or Co-PI or decrease in percent effort exceeding 25 percent during the first 180 days of the Project Period.

7. Submitting Prior Approval Requests

Prior Approval requests must be submitted in writing to the GMO and must be signed by the PI and the AOO or AEO and Co-PI when appropriate. All such requests shall identify the proposed action requiring CIRM Prior Approval and include a justification, an estimate of the expected duration of the change, the budget period(s) impacted by the change, and any budgetary modifications that would result if the request were granted. Approval by CIRM shall not be effective unless in writing and signed by the President of CIRM, or his/her delegee.

E. Equipment Management

The Grantee must have a property management system for Equipment that includes the following:

1. Records that adequately identify items of Equipment purchased with CIRM funds;
2. Control procedures and safeguards to prevent loss, damage, and theft;
3. Adequate maintenance procedures to keep the Equipment in good condition; and
4. Proper procedures to dispose of, sell, or transfer Equipment purchased with CIRM funds when authorized by CIRM.

F. Accounting Records, Documentation, Access to Records and Audits

1. **Accounting Records**
   The Grantee shall maintain an accounting system and supporting fiscal records to assure that CIRM funds awarded are used solely for the purpose outlined in the approved Application and in accordance with Approved Budget in the NGA.
2. **Document Retention**
   The Grantee shall retain accounting records and supporting documentation for five years from the date of submission of the final expenditure report for the entire Project Period. All records must be maintained in excess of this minimum time period if audit findings have not been resolved.
3. **Access to Records**
   The Grantee shall allow CIRM, the Bureau of State Audits access to its accounting records and supporting documentation the California State Controller, or any other appropriate state agency with reasonable notice.
4. **Audits**
   Accounting records and supporting documentation may be audited at the direction of appropriate state agencies, including the Bureau of State Audits, the State Controller's Office and CIRM. In addition, CIRM may require a Grantee to commission an independent audit of Award accounting records at the Grantee's expense as a condition of further funding eligibility.

G. Misuse of Funds

Misuse of funds means fraud or abuse of public funds. Fraud means an intentional deception or misrepresentation made by a person who knows or should have known that the deception could result in some unauthorized benefit to that person or some other person. It includes any act that constitutes fraud under applicable state or federal statutes. Abuse means any Grantee practice that is inconsistent with sound fiscal, business or research practices or that results in an unnecessary cost to CIRM.

Grantees shall report to the GMO cases of real or apparent fraud, or abuse of CIRM funding immediately upon knowledge thereof. Examples of fraud, and abuse that must be reported include, but are not limited to: embezzlement of CIRM funds, misuse or misappropriation of CIRM funds or property; and false statements regarding the use of CIRM funds, whether by organizations or individuals. This includes personal use of CIRM funds; using funds for non-approved purposes; theft of CIRM-funded property or property acquired or leased with CIRM funds; charging CIRM for services of "ghost" individuals; submitting false financial reports; and submitting false financial data in bids submitted to the Grantee (for eventual payment by CIRM).

Fraud, or abuse can result in any of the administrative and other actions described in section J, *Failure of Compliance*. In addition, any PI, Grantee or Recipient of CIRM

funds suspected of misuse of funds may be referred for investigation to state and/or local law enforcement authorities.

H. Reporting Requirements

Grantees must report financial and scientific progress to CIRM annually at minimum.

The requested information is required for effective grant management by CIRM and for meeting specific reporting requirements of the California State Legislature. CIRM also is responsible for disseminating the outcomes of funded research to interested constituencies, as well as to the general public.

Please see chapter VI, section E, *Reporting Requirements for Training Grants,* for reporting requirements specific to training grants.

1. **Financial Report**
   The Grantee shall submit to the GMO an annual financial report within 90 days after each anniversary of the Award start date stated in the NGA, unless ChatCIRM requires more frequent reports. The financial report must include all actual costs incurred against CIRM funds during the expired Budget Period and any carry forward amounts. Grantees claiming facilities costs for leased research space as described in chapter V, section B, part 3, *Allowable Facilities Costs*, shall report the actual out-of-pocket lease cost incurred by the Grantee.

   ~~CIRM will not issue payment for the subsequent Budget Period until it has received, reviewed and approved this report.~~

2. **Progress Report**
   The Grantee shall submit to CIRM an annual Progress Report detailing scientific progress, outcomes and activities during the expired Budget Period, unless CIRM requires more frequent reports. This report is due ~~60 days prior to~~ each anniversary of the Award start date stated in the NGA.

   The Progress Report shall include a summary of scientific progress; a listing of personnel who participated in the project and their level of effort; an updated list of Other Support for the PI; ~~a list of publications resulting from the CIRM-funded Project or Activity~~; cumulative subject accrual and progress in conducting analyses for sex/gender and race/ethnicity differences in clinical trials; applicable public policy assurances (e.g., ESCRO, IRB, IACUC); a statement of the percentage of goods and services purchased with CIRM funds from California suppliers; ~~and a listing of inventions disclosed, patents filed, or licenses granted for the Project Period (see part 3, *Other Reports*).~~ The Progress Report must also include an overview of any major unexpected expenditures or unspent funds (actual or anticipated) for the expiring Budget Period and any changes anticipated for future Budget Periods.

~~CIRM will not issue payment for the subsequent Budget Period until it has received, reviewed and approved this report.~~

3. **Other Reports**
   PIs and Grantees are also required to report to CIRM publications, inventions, patent applications, licensing and invention utilization activities that result from CIRM-funded research. Specific reporting requirements related to these areas may be found in regulations adopted by the ICOC governing intellectual property.

4. **Overdue Reports**
   Failure to timely submit complete financial, progress, or other required reports may result in reduction, delay or suspension of payments. Further, if a report is delinquent for more than 60 days, CIRM may take action as described in section J, *Failure of Compliance*.

I. Grant Close-Out

CIRM will close out an Award ~~within 90 days~~ after conclusion of the Project Period end date or the end date of any authorized extension after the~~. Close-out requires a~~ PI and Grantee ~~to timely~~have submitted all required reports, and reconciliation of amounts due the Grantee or CIRM. CIRM may withhold funds for future or concurrent Awards if a Grantee is delinquent in submitting reports.

Close-out of an Award does not extinguish requirements for property accountability, record retention, or financial accountability, or requirements associated with regulation of medical and ethical standards of intellectual property. Following close-out, the Grantee remains obligated to return funds due as a result of later refunds, corrections, or other transactions, and CIRM may recover amounts based on the results of an audit covering any part of the funding period.

J. Failure of Compliance

If a Grantee or PI fails to comply with the terms and conditions of an Award, CIRM may take one or more actions, depending on the severity and duration of the non-compliance. Failure of compliance includes confirmed instances of research misconduct, violations of medical or ethical standards as provided in Title 17, California Code of Regulations, section 100010 et seq, or violations of intellectual property regulations duly adopted by the ICOC. CIRM will afford the Grantee an opportunity to correct any deficiency before taking action unless public health or welfare concerns require immediate action or prompt action is necessary to protect CIRM's interests. (See also chapter III, section C, part 1, *Research Conduct.*)

Depending on the nature of the deficiency, CIRM actions may include, but are not limited to the following:

1. Temporary withholding of payment;

2. Placing special conditions on Awards;
3. Conversion to a reimbursement payment method;
4. Disqualifying the Grantee (or PI as appropriate) from eligibility for future Awards for a specified period;
5. Disqualifying the Grantee (or PI as appropriate) from receipt of further CIRM funds;
6. Recovery of previously awarded funds;
7. Civil action and/or referral to the Office of the Attorney General of California for criminal investigation and enforcement;
8. Other available legal remedies.

VI. SPECIAL POLICIES FOR TRAINING GRANTS

This chapter supplements the general policies described in Cehapters I through V and provides information on policies and requirements that apply specifically to CIRM training grants.

A. Criteria for Review of Training Grant Applications

Training grant Applications are evaluated by criteria established by the ICOC, which may include but are not limited to the following factors:

1. Overall quality of the (proposed) training program
2. Qualifications of the program leadership
3. Research and training strength of the proposed mentors
4. Quality and diversity of existing training programs
5. Strength of the stem cell research at the institution

B. Trainee Policy

1. **Appointment**
   The PD should appoint trainees, giving appropriate consideration to the level of training, academic qualifications, and the inclusion of women and minorities. The NGA specifies the maximum number and type of trainees that may be appointed and supported by the CIRM training grant. ~~Each trainee must be sponsored by an eligible faculty mentor who will supervise the training and research experience.~~ Trainees appointed under a CIRM Training Program must be supervised by a faculty mentor or faculty level scientist ~~of equivalent rank~~ who is accountable for the conduct of the research and operations of the laboratory or facility where the trainee research is performed. To ensure appropriate supervision and commitment to each trainee, a mentor may not be appointed to supervise more than two concurrent trainees from any CIRM training program at any one time. Prior to making a trainee appointment, Program Directors should consider the availability of the mentor to supervise a new trainee, including any possible overlaps with existing trainees that might result in exceeding this mentorship limit. The PD must complete and sign a Trainee Appointment Form for each trainee and

submit the form to CIRM at the time of appointment (see section E, *Reporting Requirements for Training Grants*).

2. **Degree Requirements**
   To qualify for appointment, a trainee must have acquired the necessary academic preparation and degree(s) that are appropriate for the level of proposed training as set forth in the RFA.

3. **Training Period**
   The duration of the training period for any individual trainee will be as specified in the RFA. An awarded trainee position cannot be shared among multiple individuals. CIRM trainees must devote full-time to training activities, which, in addition to their research, may include relevant coursework, workshops, and scientific conferences. Clinical trainees should confine clinical duties to those that are an integral part of their training experience. Clinical trainees may not expend more than 25 percent of their appointment time on clinical duties that are unrelated to or independent of the CIRM training program. Grantee institutions may apply their own policies to CIRM trainees requesting parental leave or sick leave during the training period. Other leaves of absence must be approved by the Program Director and CIRM and may require termination and reappointment of a trainee.

C. Allowable Costs and Activities for Training Grants

CIRM supports direct project costs for the training program that are specifically associated with trainee support (i.e., parts 1-4 below) and program administration (i.e., part 5), including administrative support salaries. Indirect Costs, which cannot be specifically associated with the training grant program, are limited to 10 percent of the direct project costs.

A trainee may not be concurrently supported with another fellowship or similar Award that provides a Stipend or otherwise duplicates provisions of the training grant Award; however CIRM trainees may accept supplemental funding from other sources to increase funds available to the individual trainee.

1. **Stipend Levels**
   Annual trainee Stipend levels should be commensurate with the individual's experience and the level of training as specified in the RFA. CIRM encourages the Grantee to supplement trainee Stipends when necessary to meet institutional requirements and maintain equity among trainees, provided that the supplementation is without obligation to the trainee.
   Grantees must re-budget within the total amount already awarded to accommodate any variation in Stipend levels. CIRM will not provide

additional funds for this purpose. (See section D, *Prior Approval Requirements for Training Grants.*)

Trainee Stipends and allowances are not provided as a condition of employment with CIRM, the state government, or the Grantee. Accordingly, Grantees may not seek funds, or charge training grant Awards, for costs that normally would be associated with employee benefits (e.g., FICA, workman's compensation, and unemployment insurance). This limitation does not include health insurance for trainees, which is described under part 3 of this section.

~~A trainee may not be concurrently supported with another fellowship or similar Award that provides a Stipend or otherwise duplicates provisions of the training grant Award.~~

2. **Tuition and Fees**
"Tuition and F~~f~~ees" means costs charged by the Grantee for the enrollment and instruction of a student~~.~~ and may include costs of health insurance for the student . Tuition and Fees may only be claimed for trainees who are enrolled in an accredited certificate, undergraduate, or graduate program. Grantees may request for each trainee up to 100 percent of the first $3,000 incurred for Tuition and Fees and 60 percent of expenses in this category incurred thereafter up to a maximum of $16,000. CIRM does not cover Tuition and Fees that are otherwise subsidized by the Grantee.

Tuition and Fees at the postdoctoral or clinical trainee levels are not allowed.

3. **Health Insurance for Postdoctoral and Clinical Trainees**
If the postdoctoral or clinical trainee's health insurance is not otherwise covered by the Grantee institution, the Grantee may request up to 100 percent of basic health insurance costs for the trainee and immediate family (if applicable). Health insurance may include coverage for costs such as vision and/or dental care if consistent with organizational policy.

4. **Trainee-Related Research and Travel Funds**
Grantees may request an annual allowance for trainees for research training-related expenses such as books and laboratory supplies and for trainee travel to scientific conferences or workshops.

Grant funds may be used to cover the costs of a trainee's travel to attend a scientific meeting that would benefit the trainee's research experience. Funds may not be expended to cover the costs of travel between the trainee's place of residence and the training institution or to the training institution for the purpose of recruitment.

Generally, research training experiences away from the Grantee must be justified on the basis of the type of opportunities for training available, the opportunities offered that are different from those at the Grantee, and the

relationship of the proposed experience to the trainee's career stage and career goals. Expenditure of CIRM funds for this type of research training requires Prior Approval by CIRM. This general rule, however, may vary by RFA.

Textbooks required for coursework, specialty volumes that will enhance training, laboratory and technical manuals are appropriate for purchase. ~~provided they are not available in the Grantee's library or at the training institution.~~ Professional journal subscriptions ~~covering the period of the appointment~~ are not allowable costs.

5. **Program Administration Funds**
Grantees may request funds for administrative costs as part of direct project costs. Unless otherwise specified in the RFA, allowable program administrative direct project costs include administrative support salaries, seminar speakers, outside speakers for courses, audio-visual equipment or supplies, and costs of developing or delivering new courses. ~~Up to 25% of the amount awarded in this category (i.e., program administration funds) may be used for the PD's salary~~otherwise Limitations on use of funds in this category for the PD's salary will be specified in the RFA.

The cost of advertising the training program to all prospective candidates may be allocated to program administration costs.

The cost of food and meals served at a seminar or meeting is not an allowable cost.

D. Prior Approval Requirements for Training Grants

Grantees must perform project activities as described in the approved Application. A Grantee must request Prior Approval for any post-award changes by submitting to the GMO such requests in writing together with appropriate justification for the proposed change (see chapter V, section D, part 7, *Submitting Prior Approval Requests*). The request must be signed by the PD and the AOO. Such approval must be obtained in writing before expending CIRM funds for the proposed activity. Notwithstanding C~~c~~hapter V, S~~s~~ection D, *Prior Approval Requirements*; the following are ~~examples of~~ post-award changes for training grants that require approval:

1. **Stipends** – Rebudgeting funds out of the Stipend category; however, funds may be re-budgeted into Stipends without Prior Approval. Trainee stipends cannot exceed the current published CIRM Stipend Caps using CIRM funds.

2. **Training Period for Clinical Trainees** – Appointing a clinical trainee for a period that is less than 12 consecutive months.

3. **Trainee-Related Funds/Program Administration Funds/Indirect Costs** – Rebudgeting between 1) trainee-related funds (~~i.e.,~~ Stipends, Tuition and Fees, H~~h~~ealth I~~i~~nsurance or R~~r~~esearch and T~~t~~ravel) and~~,~~ 2) P~~p~~rogram

Aadministration funds, ~~and~~ or 3) Indirect Costs. ~~; however, funds may be re-budgeted into the trainee-related funds category for use as Stipends without Prior Approval.~~

4. **Carry Forward of Funds** –Carry-forward of ~~unexpended~~ unobligated funds from one Budget Period to the next that exceed 25 percent of project costs for the expiring Budget Period. ~~If the carry-forward amount is greater than 50 percent of the expiring Budget Period's project costs, payment of funds for the next Budget Period may be postponed.~~

5. **Extensions** – Extending the Project Period beyond the scheduled end date. A one-time no-cost extension for up to one year beyond the scheduled Project Period end date is allowed with Prior Approval. The written request for Prior Approval shall be submitted to CIRM at least 30 days in advance of the scheduled Project Period end date.

6. **Change in Program Director** –Appointing a new PD for the training grant program.

7. **Change in Sponsor, Mentor, or Collaborating Institution** –Appointing a new trainee sponsor or mentor. Any mentor changes approved by CIRM shall be reported in the annual Progress Report (see section E, *Reporting Requirements for Training Grants*).

8. **Addition to Number of Approved Trainees-** CIRM will not provide additional funds for increasing the number of approved trainee positions but will consider use of carry-forward funds ~~or interest earned on CIRM funds~~ for this purpose.

E. Reporting Requirements for Training Grants

Notwithstanding C~~c~~hapter V, S~~s~~ection H, *Reporting Requirements*, the PD must submit financial and Progress Reports as described in this section to CIRM on an annual basis. The Progress Report is due ~~60 days prior to~~ each anniversary of the Project Period start date stated in the NGA. ~~Funding for the subsequent Budget Period will not be paid until CIRM has received, reviewed, and approved this report.~~ In addition, the PD must submit an annual financial report within 90 days after each anniversary of the Project Period start date.

1. **Annual Financial Report**
   The Grantee shall submit to the GMO an annual financial report, within 90 days after each anniversary of the Project Period start date stated in the NGA. The annual financial report must include all actual costs incurred during the expired Budget Period and any carry-forward amounts.

   Upon initial appointment of a trainee and on each subsequent annual reappointment, costs for Stipend, Tuition and Fees, health insurance, and research and travel that cover an entire 12 months should be charged to the

current Budget Period. The full amount not yet expended at the end of the Budget Period should be reported as a cost incurred but not yet paid.

2. Annual Progress Report

The Grantee shall submit an annual report detailing progress and activities of the training program during the Budget Period. This report is due ~~60 days prior to~~ each anniversary of the Budget Period start date indicated in the NGA. The Progress Report for training grants includes two components: a description of the training program and an account of the appointed trainees.

a. Training Program Report

A programmatic description of progress made since the initiation of the Award is required. The training program report requests information such as:

- **i.** Trainee selection process
- **ii.** Current number and type of trainees in the program
- **iii.** Program activities (e.g., seminars, workshops, retreats)
- **iv.** Course developments or changes
- **v.** Changes in the administration of the program
- **vi.** Plans for the upcoming year
- **vii.** Anticipated budget changes in future Budget Periods

b. Trainee Report

In addition to the training program description, the annual Progress Report must include data for all trainees who were or are supported by the training grant. The trainee report requests information such as:

- **i.** Mentor and trainee assignments
- **ii.** Description of proposed trainee research and progress
- ~~**iii.** Curriculum~~[1] ~~vitae of each trainee~~
- ~~**iv.**~~**iii.** List of relevant publications

3. Appointment

Trainee Appointment Form

a. A Trainee Appointment Form (Rev 4/2008) must be completed for each trainee and submitted at the time of appointment. The form requests information about the appointment such as the name of trainee, name of mentor, anticipated period of training, level of Stipend support, and anticipated program of training. The mentor, trainee, and PD must sign the form and in so doing all parties agree to comply with the proposed training program, period of support, Stipend level, and the terms and conditions specified in this Grants Administration Policy. The completed and signed form is the official document for establishing the Stipend, which should be reflected in annual financial reports.

b. **Trainee Termination Form**

A Trainee Termination Form (Version6/2008) must be completed for each trainee and submitted to CIRM at the time of termination of the trainee appointment due to the expiration of the appointment period or early termination prior to the pre-determined appointment period. The form requests information about the appointment term, such as the final term of appointment, a summary of the training received during the appointment period, the Stipend support received during the appointment period, post award activities (if known) of the trainee, and trainee contact information after completing CIRM support. The trainee and the PD must sign the form.

4. **Other Reports**
Grantees are also required to report to CIRM publications, inventions, patent applications, licensing and invention utilization activities that result from CIRM-funded Activities. Specific reporting requirements may be found in regulations adopted by the ICOC governing intellectual property ~~for~~.

5. **Overdue Reports**
Failure to timely submit financial, progress, or other reports may result in action reducing, delaying or suspending payment until required materials are received. Further, if a report is delinquent for more than 60 days, CIRM may take action as described in chapter V, section J, *Failure of Compliance*.

6. **Ethical Research Practices**
Appointed trainees (and their faculty mentors, where applicable) must conduct research in accordance with the highest medical and ethical standards, including compliance with institutional requirements, and regulations set forth and approved by the ICOC. See Title 17 California Code of Regulations section 100010, et seq.
Trainees may not initiate or engage in research activities without documented institutional approvals where required by CIRM or the Grantee. The Grantee must submit to CIRM, with the Annual Progress Report, documentation that certifies that each appointed trainee has current institutional approval (where appropriate) to conduct research involving 1) the use of the live vertebrate animals, 2) use of Covered Stem Cells Lines (as specified in Title 17, California Code of Regulations, section 100070), or 3) use of Human Subjects; Certification must be given by the Grantee's official institutional approval committee. The documentation must include for each trainee, the period for which approval has been granted, the name of the PI, and the approval number or identifier.

APPENDIX:

Candidate Nomination Form (Version 4/2009)
Trainee Appointment Form (Rev 4/2008)
Trainee Termination Form (Version 6/2008)