

Financial Practices Of the California Institute for Regenerative Medicine

California Institute for Regenerative
Medicine

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Applicable Rules - General

- **State of California law**
- **State Controller Policies and Procedures**
 - Fund Accounting
 - Payment of operating costs and grant programs
 - Audits
- **Department of General Services**
 - Space Acquisition
 - Cal-Card
- **Department of Finance**
 - Budget Reports
 - Out of State Travel
- **State Treasurer's Office**
 - Financing Committee for General Obligation Bonds

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Applicable Rules - Proposition 71

- **Continuous Appropriation**
- **UC Public Contract Code**
- **Exempt Employees/Compensation**
- **Donations**
- **Spending Limits on Bond Proceeds**
- **FAOC**

UC Public Contract Code

- **UC Business and Finance Bulletins BUS 34 and 43**
- **CIRM Contract Policy and Procedure**
- **Procedure for Review and Approval of Expenditures**
- **Cal Card**

Compensation

- **ICOC sets compensation based on salaries in:**
 - UC Medical Schools
 - Non Profit Academic and Research Institutions
- **Conducted a Survey of Salaries for these institutions**
- **Three ICOC hearings to review and supplement the survey results**
- **Adopted by full ICOC on 6/2/2006**

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Donations

- **Real and Personal Property**
- **Donations to Date**
 - Dolby Family Foundation - \$5 million
 - Richard K. Robbins - \$50,000
 - Richard and Rhoda Goldman Foundation - \$350,000
- **ICOC Adopted Policy and Procedures**

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Spending Limits on Bond Proceeds

1. Up to 3% of total Proceeds for General Administration
2. Actual costs of Bond Issuance and Interest
3. Up to 3% of total proceeds after deducting 1. and 2. for Grants Management
4. At least 90% of the proceeds after deducting 1., 2. and 3. for Research Grants
5. Up to the remainder of proceeds after deducting 1., 2., 3. and 4. to build facilities needed to conduct research

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Funding Sources Available

- **11/2/2004 – 6/30/2005**
 - \$3 million GF Start up Loan
 - \$5 million from Dolby Family Foundation Grant
- **7/1/2005 – 6/30/2006**
 - Remainder of Start up Loan and Dolby Grant
 - \$14 million in BANS
 - \$400,000 in other donations
- **7/1/2006 – 6/30/2007**
 - Remainder from the first two years
 - \$31 million in BANS
 - \$150 million Loan authorized by the Governor
 - More Donations

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\$150 million Loan

- **Subject to the same spending limits on bonds**
- **Except:**
 - No Issuance Costs
 - No funding can be used for building construction

CIRM Operating Costs - Funding Source

- **BANS/All General Fund Loans**
 - General Administration
 - Grants Management
 - Research Grants (for legal costs)
- **Dolby – Any cost with some limits**
- **Other donations – Any cost**

CIRM Operating Costs - Accounting and Budgeting

- **Accounting System Codes Expenditures by:**
 - Cost Center
 - Type of Cost – Chart of Accounts
 - Fund Source
- **Monthly Reports track expenditures by these three categories and against approved Budget**
- **Budget is approved by ICOC**

CIRM Operating Costs - Monitoring

- **Separation of responsibilities**
 - Written Delegation of Authority
 - Double approval for all expenditures
- **Monthly report on expenditures by cost center, cost category and fund source is provided to Senior Management of CIRM**

Grant Programs - Funding Source

- **BANS**
- **\$150 million Loan**

Grant Programs - Accounting and Budgeting

- **The budget will be tied to the Scientific Strategic Plan**
- **Training Grants**
 - The ICOC approved a budget for CIRM to release an RFP for a Training Grant program
 - The ICOC approved funding for 16 grantee institutions for three years
 - After funds from the BAN sale, the first year of funding was issued to these grantees.
- **Our accounting system tracks grant payments to each grantee institution and to each grant**

Grant Programs - Financial Management

- **Notice of Grant Award (NGA) – Each proposed grantee will be issued an NGA with the terms, including compliance with all provisions of the Grants Administration Policy (GAP), any conditions of the award and a proposed payment schedule.**
- **GAP contains extensive financial provisions to ensure that all expenditures are in accordance with conditions in the grant award, the approved budget, GAP and the terms of the NGA.**
- **GAP contains several sanctions that can be imposed for failure to comply.**
- **After signature by the Grantee, the first payment will be issued.**
- **Annual awards are made in three separate payments**

Grant Program Expenditures - Monitoring

- **GAP requires two separate annual reports: one to track program progress and other to track the status of financial expenditures**
- **Follow-ups, including on-site reviews, will be scheduled as deemed necessary**
- **Additional Training Grant Oversight:**
 - Trainee Appointment Form
 - A meeting of all grantee institutions has been held to hear oral reports about, and assess progress on, recruitment of trainees. Also to review the requirements once again, respond to questions and encourage collaboration.
 - An annual CIRM scholars meeting will be held to encourage collaboration and to assess their individual and group perspectives about their progress in the program

Grant Programs - In Progress

- **Monitoring Policies and Procedures**
- **Automated Grants Management System**

FAOC

Questions?