

Memorandum

To: Program and Financial Staff

From: Finance Dept.

Re: 2010 Expense Code Definitions

Attached is a list of all the general ledger expense codes used by OSI. This is a guideline for coding any and all payment requests and will hopefully, going forward, minimize confusion and different interpretations between the departments. It will be updated on an as needed basis, as new account codes are added to the ledger.

The list is broken up as follows:

FINANCIAL STATEMENT CATEGORY

Capitalized and in bold are the categories that appear on the Financial Statements. All the general ledger codes that fall under this category are consolidated and listed on the Financials under this heading. It is important that information is booked to the correct G/L code, so it is properly recorded on the financial statements.

Example:

Books that are purchased for the legal library should not be charged to G/L code 66040 "Books, because that account falls under the "Printing and Publishing" heading on the financials. This code is strictly for costs incurred by publishing and printing books. Any purchase of a book should be coded under 69025 "Book Purchase"

Account Number and Name

Bold and Italicized, are the general ledger account numbers with their corresponding names that fall under the financial statement heading.

Beneath each account number is a definition of that code and the activity that should be booked to it.

OPEN SOCIETY INSTITUTE

2009 EXPENSE CLASSIFICATIONS

COMPENSATION:

61010 *Salaries and Wages*

Salaries paid directly to employees from payroll system; represents amount of fixed compensation to regularly paid employees

61014 *Relocation*

Cost incurred by employees to relocate i.e. shipping charges, moving vans, temporary hotel accommodations, real estate agent fees. These expenses have to be authorized by HR prior to payment by OSI

61016 *Fellows Stipend*

Monthly stipends awarded to OSI Fellows

61020 *Part-Time and Interns*

Salaries paid directly to part-time employees (less than 35 hrs a week) and interns. For Temporary Office Help use code **64520**.

61025 *Other Salaries and Benefits*

Any salary/benefit expense incurred that does not apply to the specific salary/benefit categories; other expenses in addition to that of base salaries/ benefits i.e.: gym membership reimbursement, smoking cessation program, rent for employees while overseas. Must be approved by HR

61028 *Lunch Program*

Includes cost paid to outside caterers for the employee lunch plan and special orders for in-house business meetings ; Also includes cost of food provisions/beverages/water services stocked in the kitchens

61030 *Employee Insurance Premiums*

OSI payment of insurance premiums for employee medical, travel, and dental coverage

61031 *Int'l Insurance Health and Life*

OSI payment of insurance premiums for overseas employees; Cigna payments

61035 *Travel Allowance*

OSI reimbursement to employees posted overseas for annual visit home

- 61040 Unemployment Taxes**
OSI payment of unemployment taxes to the State of NY Fund
- 61041 Social Insurance (Foreign)**
Social insurance contributions paid outside of the United States
- 61045 Employer FICA Expense**
OSI payment of matching portion of Social Security premiums
- 61050 Pension Plan Contributions**
OSI portion of the contribution made to the Employee Retirement Fund
- 61070 Staff Training/Development by HR - NY**
Cost of conferences, seminars, workshops, meetings, and training sessions for NY employees, sponsored by the Human Resources Department. If food and lodging are included in the fee, they can be charged to this account. Otherwise they should be charged to the appropriate expense account
- 61075 Professional Development**
Professional training outside of Human Resources training program. All training and seminar costs incurred by professional staff of OSI, e.g. continuing professional education for accountants and attorneys, or technical training for computer literacy such as Excel or Access training.
- 61080 Staff Training/Development by HR - Overseas**
Cost of conferences, seminars, workshops, meetings, and training sessions for overseas employees, sponsored by the Human Resources Department. If food and lodging are included in the fee, they can be charged to this account. Otherwise they should be charged to the appropriate expense account
- 61090 Tuition Reimbursement**
Cost to reimburse employees for college-level courses or preparatory classes (e.g. CPA , GMAT) , must be approved by HR. Code to be used by HR only
- 61091 Network Sabbatical**
Code use restricted to HR
- 61095 Overtime Meals and Other Incidental**
Meals and other incidental expenses for employees working after hours
- 61096 Overtime Transportation**

Taxi, car service, bus, or train expenses for employees working after hours

61199 Staff Cost Allocation

Code use restricted to Finance and HR – to reallocate costs of staff dedicated to other entities.

TRAVEL:

62010 Airfare (Rifkin Travel)

Cost of airline tickets only, when purchased through OSI's authorized travel agent - Rifkin Travel.

62011 Airfare - non-Rifkin

Cost of reimbursed airline tickets not purchased through the authorized travel agent (Rifkin Travel).

62015 Ground Transportation

Cost of train tickets (e.g. Amtrak), car rental, parking, tolls, taxis to/from the airport, local transportation in transit and at the trip destination(s) (e.g. taxis, buses, subway tickets), and mileage reimbursement for the use of a personal car.

62030 Travel - Incidental Expenses

All other costs associated with travel: e.g. visas, passport photos, travel fees, tips, gifts, currency exchange fees, cash advance fees, laundry, etc.

62032 Travel - Meals and Entertainment

All costs of personal meals incurred during business travel. Also cost of business meals and entertainment incurred during business travel.

62035 Hotel (Room and Taxes)

Hotel room & tax charges only. Meals at the hotel should be charged to **62032**. Hotel phone bills should be charged to **62065 - Travel Telecommunication Expenses**. Other incidental expenses (e.g. laundry) - to **62030**

62065 Travel Telecommunication Expenses

All telephone, fax and internet connection costs incurred during business travel, e.g. telephone charges billed by hotels.

62070 Non-Soros Sponsored Conference Fees

Cost of participation in conferences not organized by the Soros Network

62072 *Soros-Sponsored Conferences – Meals (Off-Site)*

Cost of meals paid by OSI staff for conference and meeting participants, when meetings take place outside OSI offices. This includes receptions. Catering expenses for the meetings held on-site at OSI offices should be charged to **64541 - Food - Meetings During Office Hours** resp. **64542 Food - Meetings After Office Hours** in the Office Services section.

62073 *Soros-Sponsored Conferences – Group Hotel*

Cost of hotels paid by OSI staff on behalf of conference and meeting participants for off-site and on-site meetings.

62075 *Soros-Sponsored Conferences - Meetings Room Rental Costs*

Cost to rent meeting rooms for meetings held outside of the office.

62076 *Other Soros-Sponsored Meeting Expenses*

Other incidental expenses related to off-site conference costs, e.g. office supplies for the conference, bus rental for the participants' transportation.

62084 *Non-Travel Taxis & Local Transportation*

Taxi and car service expenses incurred in the home office area for reasons other than overtime and travel, e.g. taxi to meetings in NY for NY staff, taxi to meetings in Baltimore for Baltimore-based staff.

62085 *Non-Travel Business Meals and Entertainment*

Business meal and entertainment expenses incurred by employees at the home office location (e.g. in New York for NY-based staff). Meal and business meal expenses incurred on a business trip should be charged to **62032 - Travel –Meals and Entertainment**. Catering expenses for the meetings held on-site at OSI offices should be charged to **64541 - Food - Meetings During Office Hours** resp. **64542 Food - Meetings After Office Hours** in the Office Services section.

62095 *Hosting Foundation Personnel*

Costs to host network staff not employed by the employer's national foundation; includes costs of hosting George Soros by the national foundations. Do not use for OSI expenses. To be used by NF's only

62098 *US Based Travel Fees*

For Accounting use only

PROFESSIONAL FEES:

63010 *Attorney's Fees*

Includes all fees paid to attorneys, appraisers, notaries, and witnesses; also includes any court costs and legal document recording fees

63020 *Accountant's Fees*

Includes all fees to outside independent auditors for annual audit and special projects, as well as, incidental costs of the audit/project, such as supplies, telephone, postage, and any other charges directly related to the audit; Also includes amount paid to SFM for preparation of tax forms

63025 *Columnist Fees*

Honorariums for columnists

63026 *Researcher Fees*

Honorariums for researchers, e.g. performing research for the Privatization Project

63030 *Other Professional Fees*

Costs affiliated with professional fees that do not apply to any of the specific professional fee categories

63040 *Consultant Fees*

Fees paid for services rendered by professional practitioners and consultants who are not employees of the Soros Network and are engaged as independent counselors or contractors for specified services determined on a contractual basis

63041 *Honoraria - Other*

Small fees paid to third parties assisting in program activities (e.g. teachers)

63042 *Honoraria for Board Members*

Small fees paid to Advisory Board members assisting in program activities, includes buyout and board release time fees

63050 *Information Systems Consultants*

Fees paid to outside consultants for services rendered for computer systems problems, upgrades, training; also fees for services rendered by

and paid to outside consultants contracted for maintenance, installation, upgrades, programming and training for the phone system.

63080 *Consultants' Other Reimbursable Expenses*

Includes all expenses reimbursed to consultants (other than airfare and accommodations), including meals, incidental expenses, telephone and faxes that do not get included in their fee reported on the tax form 1099

63081 *Consultants' Reimbursable Airfare*

Includes airfare expenses reimbursed to the consultants. If the ticket was paid directly by OSI (e.g. charged to American Express BTA), use **62010**

63082 *Consultants' Reimbursable Hotel*

Hotel expenses reimbursed to consultants. Room charges only. Meals at the hotel and hotel phone bills should be charged to 63080. If the hotel was billed to OSI, use code **62035**

63095 *Program Evaluation Activities*

OFFICE SUPPLIES & EQUIPMENT:

64010 *Stationery*

Includes cost of memo pads, letterhead, envelopes, and business cards

64020 *Computer Equipment*

Includes computer grants and purchases of fixed assets that cost less than \$1,000 and/or with a life less than 2 years. All other computer equipment should be charged to Fixed Assets, G/L code **19200**

64030 *Other Office Equipment*

Includes all other office equipment that does not fit the computer equipment or fixed assets categories (i.e. photocopier charges, furniture and fixtures) costing less than \$1,000 and/or with a life less than 2 years. All other office equipment costing \$1,000 or more and/or with a life of 2+ years should be charged to Fixed Assets, G/L code **19400 -Other Office Equipment** or **19300 - Furniture and Fixtures**.

64040 *Software*

Includes maintenance, upgrades, and purchase of computer software with a life of less or equal to 3 years. Any software with a life greater than 3 years should be capitalized (coded to **19250**) and therefore included in the fixed assets

64043 Video Duplication
Costs of copying video

64045 Cable/Satellite Subscription Fees
Costs of installation and a monthly service for cable or satellite TV

64050 Office Supplies
Includes all other office supplies and materials such as pens/pencils, copy paper, fax paper, toner, cartridges for printers, and blank videos used in the normal course of business i.e. most of supplies ordered from Staples or BT Office Supplies

64060 Flowers - Office Arrangements
Includes fees paid for floral arrangements and plants' maintenance done for the reception and work areas; fees determined by service contracts made with HR

64061 Flowers - Other
Any flowers not for reception floral arrangements as defined above

64071 Photocopying Services
Costs of photocopying of printed materials, e.g. Kinko's.

OFFICE SERVICES:

64510 Electrician
Costs of labor for minor electrical repairs/maintenance done throughout the office. Costs other than routine repairs and maintenance are considered leasehold improvements

64520 Temporary Office Help
Amount paid for agency fees and temporary office help not contracted as a consultant, does not exceed more than 3 months, and is not eligible for employee benefits; *do not include part-time employees and interns*

64530 Recruitment Costs
Retainer fees and documented expenses paid to outside recruiting firms for placement of new employees; also hotel and other incidental expenses to bring candidates for job interviews, if the expenses are reimbursed to the candidates

64541 *Food - Meetings During Office Hours*

Special food orders and catering for in-house meetings, i.e. breakfasts and lunches catered on OSI premises

64542 *Food - Meetings After Office Hours*

Special food orders and catering for in-house meetings after office hours

64550 *Office Cleaning and Maintenance*

Includes service rendered by and paid to building management (Paramount) and cleaning services (ABM) to clean and maintain office including: cleaning service, windows, elevators, janitorial services, rubbish removal. OSI is billed monthly according to service contract with HR; also may include small repairs or installations less than \$1,000, not included as leasehold improvements.

64551 *Office Cleaning - Syms Bldg*

64555 *Security*

Fees paid to security consultant groups contracted by OSI to provide a secure working environment; does not include costs of Soros security personnel

64556 *Security - Syms Bldg*

64560 *Translation Services*

Services rendered for translation of speeches, documents, etc.

64562 *Other Office Services*

For office services not included in the categories listed above

64563 *Maintenance - Syms Bldg*

TELECOMMUNICATIONS:

65010 *Telephone/Fax*

Monthly office telephone bills e.g. Bell Atlantic, AT&T; does not include calling card expenses

65020 *Home Office Phone/Fax/Internet Access*

Telecom charges for OSI-initiated home phone/fax lines, internet access and reimbursement to employees for phone calls made outside of Soros

network offices. Telephone expenses incurred during business travel are included under *62065 Travel Telephone/Fax Expenses*

65030 Telephone Calling Cards

Payment of OSI AT&T Calling Card bills

65050 Telecom Service Subscription

Cost of subscriptions to on-line services such as DSL subscription fees, domain name registrations, fees to Internet access providers.

65060 Cellular Telephones

Cost of cellular phone service on OSI-owned cell phones (full bill paid for OSI cell phones). For personal cell phones - reimbursement for OSI business calls only. Monthly fees for equipment and service for personal cell phones are not reimbursable

SHIPPING:

65510 Air Courier

Includes cost to send packages/letters via express mail i.e. Federal Express, UPS, DHL

65520 Messenger

Includes point to point delivery services; used for service within the immediate home office area

65530 Postage

Includes postage charges for mailing and rental/maintenance of postage machine equipment

PUBLISHING AND PRINTING:

66010 Annual Reports

All costs incurred producing and distributing annual report including: research fees, photos, printing, binding, and mailing.

66020 Brochures

All costs incurred producing brochures including: research, photos, printing

66030 *Newsletter - OSI News*

All costs incurred for producing OSI News newsletter including: research, printing, photos

66040 *Publication of Books*

All costs incurred for printing and publishing books, *NOT* purchasing them

66060 *Printing*

All other printing costs not related to Annual Report, brochures, OSI News, books, directories, etc.

66100 *Photo/Video/Book Royalties*

Fees paid under royalty agreements

RENT & UTILITIES:

67021 *Rent - W 59 Street*

Monthly rent expense for the 400 West 59 St. office, according to lease agreement

67022 *Rent - Syms Bldg*

67025 *Rent - Other*

Includes other rent that OSI pays including: Paris office, DC office, Central Eurasia, Moscow, and employees living abroad according to lease agreements

67026 *Rent - Airport Warehouse*

67031 *Utilities - W. 59th Street*

67032 *Utilities - Syms Bldg*

67035 *Utilities - Other*

All other utility bills paid for by OSI including branch offices.

67040 *Guest Apartment*

All expenses incurred from the OSI guest apartment including: rent, utilities, cable, phone, cleaning service

DEPRECIATION:

- 68100 *Depreciation - Leasehold Improvements*
- 68110 *Amortization - Leasehold Improvements 59 Street*
- 68111 *Depreciation - W 59 St. Construction*
- 68112 *Depreciation - Syms Building Constr.*
- 68150 *Depreciation - Building and Office*
- 68200 *Depreciation - Computer Equipment*
- 68220 *Capitalized SUN Software Depreciation*
- 68221 *Capitalized SUN Consulting Depreciation*
- 68250 *Depreciation - Software*
- 68300 *Depreciation - Furniture and Fixtures*
- 68301 *Depreciation - 59 St.*
- 68305 *Depreciation Furniture SYMS*
- 68350 *Depreciation - Video Conferencing Equipment*
- 68400 *Depreciation - Other Office Equipment*
- 68450 *Depreciation - Automobile*

Depreciation expense of the fixed assets; All depreciation expenses are booked at the end of the year; no other entries should be made to these accounts.

CAPITAL COSTS:

- 68500 *Capital Costs - Automobile/Buses*
- 68501 *Capital Costs - Bldg. Office*
- 68502 *Capital Costs- Bldg. Residential*
- 68503 *Capital Costs - Affiliate Ops*
- 68504 *Capital Costs - Computer Equipment*
- 68505 *Capital Costs - New Systems*
- 68506 *Capital Costs - Leasehold Improvements*
- 68507 *Capital Costs - Other*
- 68508 *Capital Costs - Furniture and Fixtures*
- 68509 *Capital Costs - Software*
- 68510 *Capital Costs - Other Office Equipment*
- 68511 *Capital Costs - Video Conferencing*
- 68512 *Capital Costs - Leasehold Improvements 59 Street*
- 68513 *Capital Costs - Leasehold Improvement 59 Street Construction*
- 68514 *Capital Costs - Furniture W59 Street*
- 68515 *Capital Costs Sun System*
- 68516 *Capital Costs Sun Consulting*

- 68517 *Capital Costs Sun Misc. Travel*
- 68518 *Capital Costs UV & Bank Rec. Module*
- 68519 *Sun System Maintenance*

Fixed asset reclassification accounts used to include the cost of fixed assets as expenses for variance report and budget purposes; *These accounts should only be used by Accounting Department.*

MISCELLANEOUS:

69010 *Bank Charges*

Includes bank service fees and charges for wire service, electronic funds transfers, processing and payroll fees, and general monthly service fees

69011 *Letter of Credit Charges*

Used by Accounting only

69013 *ADP/Ceridian Fees*

69015 *Special Charges/Events*

All costs associated with special event or program designated in a departments' admin budget that is not appropriately defined by the other General Ledger accounts

69016 *Special Events - Staff Related*

Costs, authorized by Department Heads, associated with special occasions in acknowledgement of department members. This includes expenses such as food for internal staff meetings; flowers/cakes/cards/gifts for birthdays, resignations, Secretary's Day.

69020 *Magazines and Other Subscriptions*

To purchase subscriptions for magazines and newspapers; does not include telecom service subscriptions

69025 *Media Purchase (Books, Video, Reprints)*

Cost of purchasing of books for library, office use and other

69040 *Advertising*

Cost of purchasing advertising space for publication in journals, magazines, programs, and classifieds

69050 *Liability Insurance*

Cost of OSI liability insurance and any other fees associated with the policy

69055 Insurance Other

Other insurance costs incurred by the Soros Network that can not be categorized by any of the specific insurance accounts

69060 Maintenance of Other Equipment

Expenses related to service contracts, one-time service calls, maintenance and repairs related to any office equipment , either owned or leased, other than computer equipment such as fax machines, copy machines, telephones

69070 Maintenance of Computer Equipment

Expenses related to service contracts, one-time service calls, maintenance and repairs related to computer equipment , either owned or leased, such as computers, printers, etc.

69072 Working Labor

To be used by facilities management only

69080 Rental of Furniture/Equipment/Storage

Cost to rent furniture, storage space, or office equipment such as computers, copy machines, fax machines, etc.

69085 Miscellaneous

Small, routine costs incurred that cannot be categorized by any of the given expense accounts

69090 Membership Fees

Fees paid for membership in other organizations that provide benefit, such as services (e.g. AMEX), publications or materials, or associations (e.g. Bar Association)

69091 Misc. Allocation RPR Overhead

69096 Wordlink - Misc.

To be used by Accounting only

69098 Tax Registration/Filing Fees

OTHER OPERATING COSTS:

69100 Federal Excise Tax Expense

Quarterly tax on investment and other income paid to the Internal Revenue Service for the organization; also may include filing fees

69101 *Deferred Federal Excise Tax Expense*

69110 *Tax Withholding NRA*

Tax paid on behalf of non-resident aliens who receive 1042 tax forms. This is a grant expense only

69120 *Tax Other (Foreign)*

69121 *Customs Fees (Foreign)*

69200 *Extraordinary Events*

Significant cost not usually incurred during normal conduct of business that is unusual and infrequent as per APB No. 30. , e.g. a move, burglary, fire

69300 *Foreign Exchange Gain/Loss*

Gain or loss due to a fluctuation in the exchange rate of a particular currency

69400 *Write-off of Miscellaneous Bal.*

To be used by Accounting only

STUDENT RELATED EXPENSES:

70010 *Student/Teacher Insurance Premiums*

Insurance premiums paid on behalf of scholarship recipients

70015 *Room/Board*

Expenses associated with scholarship recipients' accommodations while studying in the United States

70020 *Settling -In*

Initial payment or allowance allocated to students for costs associated with settling into their accommodations i.e. towels, lamps, etc.

70025 *Tuition*

Tuition costs paid directly to universities for students in OSI scholarship, supplementary, High School, and similar programs

70030 *Living Stipend/India. Grants*

Stipend given to Scholarship recipients for daily living expenses

70032 *Per Diem Rates*

Set amount of spending money allocated to scholarship recipients for expenses incurred while traveling

70045 *Educational Materials*

Cost of books and school supplies for scholarship recipients

70070 *Cultural Enrichment*

Additional workshops and conferences for scholarship recipients that can not be categorized by any of the specific Student related expense accounts

71000 *Application Fees*

Payment of College/University application fee if it is not waived by the academic institution

71003 *Testing Fees or Services*

All expenses associated with scholarship recipient testing fees and services e.g. test registration fees

71800 *University-Orientation*

71810 *University-Competition*

OTHER PROGRAM AND GRANT EXPENSES:

85500 *Provision - Recoverable Grants/Loans*

88000 *General Support 3rd Party*

Grants to support third parties that are not part of the Soros Network

89100 *Management Commitment*