

Memorandum

To: U.S. Programs Staff
From: Elisabeth Williams
Cc: Ann Beeson, Nancy Youman, Kay Murray, Grace Lossa
Re: Approval Authority and procedures for U.S. Programs
Date: February 3, 2010

We are now ready to implement revised approval authorities for U.S. Programs staff that take into account the current structure of U.S. Programs. The purpose of this memo and the attached table is to help you understand who is authorized to approve what. Please note that the authority noted here does not take the place of regular review and consultation processes that are already in place; it simply establishes who can sign binding documents such as grant and consultancy agreements, as well as who can authorize payments in connection with such agreements. On paper, all of this may look a little complicated; please don't hesitate to ask questions as we put this into effect.

The approval policy summarized below and in the attached table takes effect immediately.

Background

The framework guiding U.S. Programs' signature authority and payment approval policy was established in 2005. Pertinent pieces of the establishing documents state:

The Board of Trustees (the "Board") of the Open Society Institute ("OSI") decided in April 2005 to grant the authority to approve and execute documents on behalf of OSI to certain staff members up to the amounts and for the subject matters designated by the Board. The broadest and highest authority was given to the Chairman, President, Executive Vice President and Vice President (the "Executive Officers"). The Executive Officers were also given the power to delegate their respective authority.

As a result, no person may approve or sign any document that creates an obligation or undertaking on behalf of OSI unless such individual has been given the authority to do so by the Board or the Executive Officers in accordance with the Board's decision.

All OSI staff share in the overall responsibility for the sound stewardship of financial resources and assets. Each staff member has a personal responsibility to understand and comply with OSI's policies and procedures. The approval and execution of a document indicates that the commitment and expenditures are appropriate, required for OSI operations, and in compliance with OSI policies and procedures (such as conflicts of interest and procurement as described further below) and, where applicable, with other donor terms and conditions.

The U.S. Programs staff's authority derives from Aryeh Neier and Ann Beeson delegating their authority to certain staff members. There are four kinds of authority in play: 1) grant approval authority; 2) signature authority for grants; 3) approval and signature authority for contractor agreements; and 4) payment approval authority. The kinds and levels of authority for key U.S. Programs staff are summarized in the accompanying table.

Grant Approvals

Grants are approved through the docket process. Ann Beeson is authorized to approve U.S. Programs grants of up to \$25,000. All U.S. Programs grants of up to \$2 million must be approved by Aryeh Neier. U.S. Programs grants of more than \$2 million must be reviewed and approved by the U.S. Programs Board. OSI-Baltimore grants under \$2 million are approved by the OSI-Baltimore Board. OSI-Baltimore grants of more than \$2 million must also be approved by the U.S. Programs Board. *However, U.S. Programs and OSI-Baltimore grants that are funded out of the Foundation to Promote Open Society (FPOS) require approval by the FPOS Board of Trustees in addition to the applicable U.S. Programs Board or OSI-Baltimore Board approvals referenced above.*

Signature Authority for U.S. Programs Grants

The bulk of U.S. Programs' grants are now made out of FPOS. Ricardo Castro signs FPOS grant letters, which are sent to the grantee with a cover letter from Ann Beeson, writing on behalf of OSI. For grants made by OSI, Ann Beeson signs the grant letters for grants up to and including \$1,000,000. Cover letters for FPOS-funded grants and OSI grant letters should be held for Ann's signature, unless she is away from the office for an extended period of time. In case of an extended trip or an emergency, the Deputy Director of U.S. Programs is authorized to sign OSI grant letters up to and including \$500,000, only as a back-up to Ann and with Ann's prior approval, and can sign OSI cover letters for FPOS grants. Should neither of them be available for an extended period of time, proceed as follows:

- One week or less, hold until one of them returns
- More than a week, which should be extremely rare, hold if not unreasonable or work with Elisabeth Williams, who can initiate back-up processes.

Program Directors and Campaign Managers are not authorized to sign grant letters, but they have been given signature authority for the grant-related documents listed below, only in relation to her/his respective fund or campaign.

- Approval and execution of letters providing for no-cost extensions of the grant period;
- Approval and execution of budget modification requests that are above the 10% allowed in grant agreements; and
- Execution of grant termination letters.

Signature Authority for U.S. Programs Contractor Agreements

For purposes of this memo, “contractor agreements” include all agreements with individuals or entities to provide goods and/or services to OSI, including consultancy, venue, and vendor agreements, honorarium and expense reimbursement letters, and license agreements. Unless otherwise noted, the signature authorities below include the authority also to approve of the relevant contractor agreement.

All large contractor agreements are generally signed by Ann Beeson, who has the authority to approve and sign such agreements valued at up to \$300,000. If Ann is unavailable to sign and has previously approved, the Deputy Director of U.S. Programs or Elisabeth can sign such agreements up to and including \$300,000. In the event that you need to process a contract of more than \$300,000, please notify Elisabeth Williams so that she may obtain the proper approvals and signature from one of the following authorized approvers and signers: Aryeh Neier or Stewart Paperin.

Most U.S. Programs contracts are not so large. The Deputy Director of U.S. Programs and Elisabeth Williams are the day-to-day signatories for contractor agreements up to and including \$100,000. In addition, USP Programs Directors and Campaign Managers have been given signature authority for contractor agreements pertaining to their respective fund or campaign up to and including \$25,000 and payment approval authority up to the same level. Diana Morris’s signature authority for such agreements in relation to OSI-Baltimore is \$40,000 and payment approval authority up to the same level..

Approving payments for Grant, Contractor, American Express and Other Authorized Expenditures

As a general rule, Elisabeth Williams approves many of the payments requested for U.S. Programs. However, now that we have new authorities in place, we are going to shift some approvals to people who are closer to the expenditures, as you will see below.

For your information, payment approval authority levels for individual U.S. Programs and OSI-Baltimore staff members have been established through Ann’s delegation as follows:

- The Deputy Director of U.S. Programs or the U.S. Programs Manager of Finance and Administration are each authorized to approve payment requests up to the level for which the Executive Director of U.S. Programs is an authorized OSI signatory and for the subject matter covered by her authorization. In practice, this means that the Deputy Director of U.S. Programs and Elisabeth can approve any payment that Ann can authorize through her signature or e-approval: up to \$1,000,000 for a grant payment and up to \$500,000 for any PRS payment.
- Diana Morris has been authorized to approve payment requests as follows: 1) up to and including \$40,000 for OSI-Baltimore; 2) \$25,000 for the National Drug Treatment Initiative (NDTI) and the Closing the Addiction Treatment Gap Initiative (CATG). Diana is also authorized to approve American

- Other USP Program Directors and Campaign Managers are authorized to approve payments to contractors up to and including \$25,000 for each of their respective programs.
- USP Program Directors and Campaign Managers are also authorized to approve American Express payment requests up to and not to exceed \$5,000, as well as travel requests for each of their respective programs. American Express payments of more than \$5,000 should be reviewed by the Program Director or Campaign Manager and sent to the Deputy Director of U.S. Programs or Elisabeth Williams for approval.
- The staff and departments for which the contractor, American Express and travel request authorities apply are as follows:

Cristina Parnetti, Grantmaking Operations
Laleh Ispahani, Transparency and Integrity Fund
Bill Vandenberg, Democracy and Power Fund and Seize the Day Initiative
Leonard Noisette, Criminal Justice Fund
Raquiba LaBrie, Equality and Opportunity Fund, Black Male Achievement Campaign, Neighborhood Stabilization Initiative
Shawn Dove, Black Male Achievement Campaign
Nancy Chang, National Security and Human Rights Campaign
Erlin Ibreck, Strategic Opportunities Fund & JEHT Emergency Fund

Thank you for your cooperation with these guidelines. Please don't hesitate to check in with me or the Deputy Director of U.S. Programs if questions arise.