**Budget Policy and Practice for Shared Frameworks**

*This policy is in effect from April 1, 2015, and will be revised periodically based on experience. This document aims to lay out the budget process particular to Shared Frameworks; however, Shared Frameworks funds are covered by the* [*Reserve Funds Policy*](https://karl.soros.org/communities/reserves/files/ii.-policies/reserve-policies-effective-march-2014-7-mar-2014.docx/) *and are bound to the broader process outlined in that policy. Elements central to the Reserve Funds Policy are applied throughout this document.*

1. **Why do Shared Frameworks have a separate policy and process?**

The architecture of Shared Frameworks differs from the normal OSF organizational structure, in that the work is owned by multiple participants across the network. The fluid configuration allows programs, foundations, and advocacy offices (“units”) to contribute their own programming, but this very design also prevents visibility into the work itself using traditional reporting methods. Therefore, it becomes vital to have a common link, in the form of Categories of Work for each Shared Framework topic, to capture the activities across the network.

1. **Who makes decisions to allocate Shared Framework reserves?**

A lead implementer (“Lead”), appointed by the President, oversees the management of each Shared Framework and has authority to allocate from the approved, annual Shared Framework budget in amounts up to $1 million per disbursement to participating units throughout the year. The Leads’ decisions will be based on their assessment of the best use of resources for the specific Shared Framework topic; their decision making is supported by an advisory committee that draws from relevant OSF units and staff. Each month, the Leads will have an opportunity to meet together with the President to discuss allocations made or pending, and consider possible improvements to the structure and policies guiding them.

1. **What principles guide the budgets of Shared Frameworks?**

Each approved Shared Framework is allocated an annual amount from the central reserve funds to supplement funds in the approved budgets of participating units. While each Shared Framework’s timespan may vary, the Lead will need to request an overall amount for the allocations required for each Shared Framework on an annual basis until the conclusion of the project. Any amount not allocated from the approved annual amount by the Lead at the end of each fiscal year will expire and return to the central reserve funds pool.

There is no strict, immediate matching requirement for programs or foundations that are seeking to participate in a particular Shared Framework if it is newly approved. However, meaningful participation in a Shared Framework should be reflected in units’ strategy proposals and budget requests when it is time to review and adjust their strategy/budget documents in the subsequent cycle. Depending on the topic, Leads will need to strike their own balance between encouraging participation and seeking a demonstrated commitment in units’ own budgets.

An allocation of reserve funds does not change the base budget of the unit receiving the allocation. In certain cases, Shared Framework reserve amounts already allocated to units may be extended into the following year where these meet the standard management commitment [criteria](https://karl.soros.org/communities/budget/files/resources/policy/management-commitment-criteria.docx/).

1. **How can Shared Framework reserves be requested?**

A Shared Framework reserves request often begins with some initial exchange between the proposing unit and the lead and/or advisory committee members, to test ideas and see if the unit’s plans line up with the Shared Framework’s goals. It is up to each Lead and advisory committee to determine if they would like to establish some process for these early discussions or leave them ad hoc.

Once ready, full requests for Shared Framework reserves should be submitted by email to the Lead, and should include: (1) the amount requested, (2) a brief summary (up to 100 words) of the work and its relation to overall Shared Framework goals, (3) a brief statement (up to 500 words) of the activities proposed, (4) a brief summary (up to 100 words – can be identical to the first summary) to be used for reporting to the Global Board, (5) a brief statement (up to 250 words) of the contributions expected from various units within OSF and essential partners or grantees, and (6) a statement of who within OSF would lead the work. A request may be followed by a conversation to discuss the request in more detail. For reference, a template is provided in Appendix A; Leads may wish to adjust the template to request greater detail of contributing programs.

1. **What are the mechanics for allocating Shared Framework reserves to budget and expense lines?**

Once the Lead approves a Shared Framework proposal, the budget is transferred to the participating unit’s own budget lines. (Transfers to foundations may require an adjustment in the foundation’s annual award letter from OSF; please see this [policy](https://karl.soros.org/communities/reserves/files/ii.-policies/policy-on-how-nfs-access-reserve-fund-cash.docx/) and consult with Eric Patton in Grants Management and Peter Sziranyi in Finance for details.) Categories of Work are the only unique identifiers for Shared Framework projects so all approved allocations must reside in each Shared Framework’s Category of Work. Likewise, expenditures should be coded to the same Category of Work as the budget. As a general rule in all OSF systems, Categories of Work will be found in the same area as other charge codes and can be searched for/entered in the same way as Division, Fund Class, and Geography. Tracking of Shared Framework expenditures must be reflected in all relevant activities such as grants, professional fees, personnel costs, and administrative expenses.

1. **What is the process for Shared Framework setup and allocations?**
2. Once a Shared Framework topic has been approved in accordance with the process outlined in The Souk, the President will identify a Lead to manage the new Shared Framework. Leads can use Shared Framework budgets in two ways: (1) to launch and maintain their respective Shared Framework, whether by hiring a Coordinator or engaging in other administrative tasks, and (2) to support participating units by making allocations to them for grant making, project work, and administration.
3. The Strategy Unit will notify the Budget Office of the new topic to initiate the setup of a unique Shared Framework Category of Work. This new code should be applied to all programmatic and administrative activities for the Shared Framework.
4. Units can submit their applications (see form in Appendix A) with supplemental materials, if any, to the Lead directly, which may be followed by further discussions to expand on the proposal.
5. The Lead will notify the assigned Shared Framework budget contact when an application is approved, which will act as the trigger to move the Shared Framework budget directly into the participating unit’s budget.
6. Once the budget transfer has taken place, participating units should code expenses to the appropriate Shared Framework Category of Work to record grants or other activities in OSF systems. Any Shared Framework expenses not correctly coded to the Shared Framework Category of Work will be recorded as expenditures against the participating unit’s own budget. Please consult your budget contact if miscoding has occurred.
7. Each Shared Framework Lead and Coordinator, with support from the Strategy Unit and Budget Office, will manage any reporting and monitoring requirements. Budget allocations and expenditures reports will be provided to the Leads by the Budget Office in advance of their monthly meeting with the President to evaluate the progress of each Shared Framework topic.
8. **How will the policy and process be monitored and changed over time?**

All formal requests for Shared Framework reserves and the allocation decisions will be available on [KARL](https://karl.soros.org/communities/reserves/view.html) for review by interested staff members. This policy will be revised periodically based on the outcome of the monthly allocations meeting with the Leads and the President, as well as the experience and expertise of OSF colleagues. Suggestions for revision can be sent to Gina Dash Barrow, Associate Budget Director for OSF, and Dan Sershen, Associate Director of Strategy for OSF.

Appendix A

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| --- | --- | --- | --- |
| **Shared Framework Title** |  | | |
| **Amount Requested** |  | | |
| **Detail on Amount Requested (Optional)** |  | | |
| **Background (Optional)** |  | | |
| **Summary of Plans and Relation to Overall Shared Framework Goals (100 words)** |  | | |
| **Activities Proposed (500 words)** |  | | |
| **Summary for Board Reports (100 words)** |  | | |
| **Collaborating Programs within OSF and essential partners or grantees** |  | | |
| **Contributions expected from Collaborating Programs (250 words)** |  | | |
| **Statement of who within OSF would guide the work** |  | | |
|  |  | | |
| **Approver (Lead)**  *(See list on* [*Reserve Funds KARL*](https://karl.soros.org/communities/reserves/view.html)*)* | Name |  | |
| Date Approved |  | |
| **Approver (Lead) Notes / Comments (Optional)**  *(To be completed by approver only)* |  | | |
| **Urgency level for grant approval & payments** | **Not** Rapid Response | | Rapid Response *(See procedure on* [*KARL*](https://karl.soros.org/communities/reserves/files/ii.-policies/rapid-response-as-of-10-november-2014.docx/)*)* |
| **If approved, where to allocate the budget?**  *(If the budget is split between multiple programs, please copy/paste this section as needed.)* | Amount | |  |
| Category of Work | |  |
| Division/Program Code | |  |
| Entity *(i.e., FPOS, ZUG)* | |  |
| Fund Class *(i.e., Lobbying/Non-Lobbying)* | |  |
| Geography *(of benefit)* | |  |