**Rapid Response Grant Approval and Payment Policy:**

***For Regular and Reserve Fund financed operations***

***This policy is in effect from 10 November 2014, and may be revised periodically.***

**What is Rapid Response?**

The Open Society Foundations’ (OSF) capacity for rapid response can help save lives, alleviate suffering, de-escalate crises, and seize political opportunity. At the same time, moving very quickly increases risk for OSF. The purpose of this policy is to define the circumstances under which we will accept those risks, managing them as best we can while approving grants and payments on a very fast track. This policy also describes the specific procedures that must be followed when requesting approval for a rapid response grant. Please note that rapid response payments can be sourced from either regular ongoing program allocations or Reserve Fund allocations

There are three different potential scenarios:

* Expedited grant approval followed by a rapid payment;
* Confirmation of grant approval with payment following its normal course; or
* Rapid payment preceding production of a formal grant letter.

This third scenario is only available in a narrow context and is subject to approval by the Office of the General Counsel. The circumstances must be dire, and may only be made to US public charities that are either past recipients in good standing or can readily be certified as eligible. The award can only be in the form of general support, so that the public charity can quickly respond to the emergency at hand.

Because this policy modifies normal OSF business procedures, increasing the risk of error and strains the capacity of support departments (Office of the General Counsel, Grants Management, and Finance), its use is narrowly restricted to true emergencies. These are events that are occurring rapidly and could not have been anticipated. We cannot accept the heightened risks and strains if the urgency is the result of lapses in judgment or failure to act when adequate time for routine approval was available. Rapid response processes for grant approvals and/or payments will only be considered in one of the following situations:

* Occurrence of a natural disaster or other humanitarian emergency in circumstances where OSF is well positioned, either through operational assets in place or through grant-making, to assist more quickly than others are able or willing to do so;
* Flare ups of violence, sudden aggression, or crack downs by a government or non-state actors in circumstances where OSF is well positioned, either through operational assets in place or through grant-making, to assist more quickly than others are able or willing to do so;
* Colleagues, grantees, and consultants held in custody;
* An unexpected window of political opportunity that seems likely to close very quickly, and that is related to an objective of the highest priority to OSF.

**Rapid Response Procedures for Grant Approvals**

When a program director or regional director requests rapid response procedures based on any of the above-mentioned criteria, accommodations will be made to the standard grant approval process. To initiate rapid response grant approval procedures, the director must send the following information by email to [rapidresponse@opensocietyfoundations.org](mailto:rapidresponse@opensocietyfoundations.org):

* Description of the emergency, crisis or narrow window of political opportunity: what caused the situation, who is impacted, expected outcomes with OSI support, likely outcomes if no OSF support;
* Date and time by which grant approval is required, and why;
* Name and all available contact information for the staff member who will serve as the principal point of contact;
* Grant number and name of the proposal in Foundation Connect, if applicable.

The email will be simultaneously routed to key contacts in the following departments: President’s Office, Office of the General Counsel, Grant Making Support Group, Grants Management and Finance. A copy of the email should also be attached to the proposal record, as well as the organizational record in Foundation Connect.

If the organization to which OSF will make the grant does not have a valid eligibility status in Foundation Connect, program staff should submit an abbreviated eligibility assessment to the Office of the President. The abbreviated assessment should note the context, the reason this organization was chosen as the grant recipient, and any other relevant and immediately available information. The eligibility term requested should only be long enough to make the one grant.

Although the Office of Grants Management may begin compliance review, which is based on a submitted proposal and docket write up, the grant letter will not be issued until the organization has an eligibility status in Foundation Connect. Any future funding will require a complete eligibility assessment following normal grant-making practice. If the organization to which OSF will make the grant does have a valid eligibility status, the email notifications from the director referred to above will be sufficient to trigger rapid response grant processing by Grants Management including the generation of a final grant award letter.[[1]](#footnote-1) A grant cannot be made to an organization with a status of ineligible unless that status is changed by the President. Please note that the proposal and docket write up still require approval in Foundation Connect by the designated approver.

In the context of rapid response grants, the approval of OSF’s president is not required in cases where the grant puts OSF’s overall contribution to the organization over the one-third threshold. Rapid response grants over $1 million do require presidential approval.

In many instances, rapid receipt of the executed grant agreement signaling OSF’s commitment to fund the organization will be sufficient to allow the grantee to initiate its work, and payments can follow regular procedures.

**Rapid Response Procedures for Payments**

If the request is for rapid payment in addition to rapid grant approval, the email to [rapidresponse@opensocietyfoundations.org](mailto:rapidresponse@opensocietyfoundations.org) must also include the following (unless already included in Foundation Connect):

* + Proposed OSF funding source (as much information as is presently known)
  + Organization’s full name and address
  + Amount requested (include a budget when possible)
  + Organization’s signatory name and title
  + Disclosure of any known conflict of interest.
  + Notification if payment will be made for either a U.S. or foreign sanctioned market[[2]](#footnote-2).

In the case of conflict of interest, the grant must be approved above the level at which the conflict exists. Legal will conduct Office of Foreign Assets Control (OFAC) review, confirm eligibly of payment and, in consultation with Grants Management, determine OSF entity source. When all information is confirmed and verified, Legal will email the director, OSF president, and Finance to move forward with generating payment.

While Legal is confirming eligibility, program staff should send Finance (and copy Legal) the following details unless this information is in Foundation Connect:

* + Payee Name
  + Bank Name
  + Bank Account Number
  + Bank Address
  + Bank Contact Name
  + SWIFT or ABA Number
  + The following codes: Division, Category of Work, Location

**Categories of Response Time**The timeframe in which a payment can be made will depend on several criteria related to the nature of the payee and purpose of the payment. The following categories reflect the ease of ability to respond quickly, with Category I being the fastest.

**Category I**

* Payee is known to OSF to be a charitable organization and is or has been an OSF grantee
* Country of work and payee not subject to U.S. or European sanctions or lobbying prohibitions.

**Category II**

* Payee is a known charitable organization but has not been or is not an OSF grantee or contractor
* Area of work and payee not subject to U.S. or European sanctions or lobbying prohibitions.

**Category III**

* Payee is not known to OSF to be a charitable organization and has never been an OSF grantee.
* Area of work and payee not subject to U.S. or European sanctions or lobbying prohibitions.

**Category IV**

* Area of work and/or payee subject to U.S. or European sanctions and/or lobbying.

**Monitoring of Rapid Response requests**

Finance, in conjunction with Grant Making Support Unit will be monitoring the practice around these grants, to confirm that the special request met the noted requirements and was activated appropriately.

The monitoring will be in the form of a weekly report of the rapid response grant approvals and payments which will be sent to the President, Director of Grants Management and the Director of Grant Making Support Group. Furthermore, the responsible program officer must provide details on how and when the funds were spent in the organizational notes in Foundation Connect within 30 days of payment.

1. If either the General Counsel or the Chief Financial Officer has any question as to the suitability of the grant proposal for expedited review, he/she will contact the director directly to address the issue. [↑](#footnote-ref-1)
2. As of May 1, 2014, these countries are Cuba, Iran, North Korea, Syria, Sudan and Russia [↑](#footnote-ref-2)