

## I. INVESTMENT GUIDELINES

### A. POLICY

This policy sets the guidelines to be followed for investment of corporate cash reserves. This policy intentionally reflects a conservative strategy which sacrifices some potential earnings for security of the capital invested and which places some premium on liquidity to meet emergencies. There are two general classes of funds to be invested: operating funds and reserves.

### B. OPERATING FUNDS

Operating funds are the funds used for ongoing operations of the Corporate Office to meet payroll, travel expenses, etc. Except for immediate cash needs, these funds should be kept in money-market accounts and transferred to the corporate checking accounts as needed. Facility & Administrative (F&A) corporate cost reimbursements and Management Fee payments are to be transferred into the money-market account as excess cash is accumulated.

The minimum level for Operating Funds should be sufficient to fund one full board meeting at a U.S. site, plus funds for one month's Corporate operations.

### C. RESERVES

Reserves are funds accumulated beyond those needed for immediate expenditure:

#### 1. FIRST LEVEL RESERVES

First level reserve funds are available to augment the operating funds during any operating year. The first-level reserves should meet the full corporate budget for approximately twelve (12) months at the current-year budgeted level. This requirement can be met by a combination of short-term investments and/or a standby Line of Credit, guaranteed by reserve funds. When possible, investments shall be made in increments not exceeding federally insured amounts for certificates of deposit with maturity dates scheduled to provide required liquidity during the fiscal year. Short-term Treasuries should be similarly staggered.

#### 2. SECOND LEVEL RESERVES

Second level reserve funds are available for investment periods longer than one year. In order to maximize interest earnings these funds should be invested in increments up to federally insured amounts for certificates of deposit with staggered maturity dates.

## D. INVESTMENT INSTRUMENTS

1. Investments of First Level Reserves may be made in U.S. Government instruments; in Certificates of Deposit or other instruments insured by the FDIC or FSLIC; Commercial paper backed by bank letters of credit; high quality bankers' acceptances; or repurchase agreements issued by reputable financial institutions.

Investment decisions should have preservation of capital as the first priority and portfolio liquidity must come before yield considerations. Even though certificates of deposit are insured, care should be taken in such investments because in case of failure, these funds are temporarily non-liquid; and,

2. Investments of Second Level Reserves may be made in the same instruments as prescribed for First Level Reserves. In addition Second Level Reserves may be invested in U. S. Government guaranteed bonds, investment grade corporate bonds or Mutual Funds of over \$500 million in assets that invest in U.S. Government guaranteed bonds, Investment grade corporate bonds and equities.

Equities may not exceed 50% of the Second Level Reserves and Corporate bonds may not exceed 25% of the Second Level Reserves.

## II. COMMITMENT AND SIGNATURE AUTHORITY

### A. POLICY

It is AURA policy to delegate authority to commit or approve commitment of the Corporation and to delegate corporate expenditure authority as set forth below. The individuals to whom authority is delegated in this policy should use their own judgment as to whether proposed work is consistent with the mission of AURA and its Centers.

Center management or the appropriate Center's Management Council shall submit to the AURA Corporate Office for review any proposal that may result or appears to result in either a change to or is inconsistent with the mission or character of the AURA Center in advance of the approval process. This review is to ensure that there are no conflicts with the Corporate Charter along with other factors.

### B. PROCEDURES

#### 1. Contracts, Purchase Orders, Grants, Subcontracts, Subawards

For the purpose of this procedure, a commitment is defined as a financial obligation for AURA.

- a. Authority to commit or approve commitment of the Corporation for more than \$3,000,000 is retained by the AURA Board of Directors. If the request originates with an AURA Center the commitment request shall be renewed and approved by the Centers Management Council prior to submission to the Board of Directors. In special circumstances, and on a case-by-case basis, this authority may be delegated by the Board Chair to the AURA President;
- b. The President, on behalf of the Corporation, is authorized to make commitments not in excess of \$3,000,000. At his/her discretion the President may require review and approval by a Center Management Council prior to final authorization. This authority may be delegated with such additional limitations as the President may desire;
- c. Each Center Director is authorized, on behalf of their respective Center, to make commitments, other than staff appointments (refer to Section B of the Policy and Procedure Manual), not in excess of \$1,000,000 within approved Program Plan limitations and within contractual authority. The Center Directors are authorized to delegate this authority within their respective Centers with such additional limitations as the Director may desire;
- d. Any Subcontract or Purchase Order requiring Contracting Agency written approval or consent and which is in an amount of \$1,000,000 or less shall be sent directly to the Contracting Agency

by the Center. After Contracting Officer approval, the Center Director or designee may sign for AURA, in accordance with the procedure above. Any Subcontracts or Purchase Orders for goods or services in excess of \$1,000,000 shall be sent to the Corporate Office for approval. The Corporate Office will then forward such request on to the Contracting Agency for its action. The AURA Corporate Office may delegate to the Center authority for submission to the funding agency directly; and,

- e. Signature authority for commitment extensions is governed by the same policy and procedure as indicated above. Amendments or modifications that result in commitments in excess of \$1,000,000 in the aggregate shall be approved by the President or designee.

2. Proposals and resultant grants or contracts:

- a. All proposals generated by AURA Centers shall adhere to the following approval requirements:
  - 1) Proposals involving funding of less than \$1,000,000 or less require only the Center Director approval;
  - 2) Proposals involving funding of more than \$1,000,000 but less than \$3,000,000 require the approval of the AURA President or designee; and,
  - 3) Proposals involving funding of \$3,000,000 or more require the approval of the AURA Board of Directors.
- b. Signature authority for commitment extensions is governed by the same policy and procedures as indicated above. Amendments or modifications that result in commitments in excess of \$1,000,000 in the aggregate shall be approved by the President or designee;
- c. All proposals being submitted to foreign governments or foreign organizations (i.e., not incorporated in the U.S. or not located in the U.S.) shall be submitted to the AURA Corporate Office for review and approval prior to submittal;
- d. All proposals requiring AURA Board of Directors approval will first be submitted to the appropriate Center's management Council for review and approval;
- e. All proposals, which require Board of Directors approval, will be presented in the form of a "Pre-Proposal Report" as described below. For good cause, the Board Chair may waive this requirement and will notify the Board of such action:
  - 1) The proposing Center Director shall prepare a "Pre-proposal Report" not exceeding five pages in length, containing the following information:

- a) A description of the Request for Proposal, what is being requested, the name of the requesting agency, and the due date for the proposal;
  - b) A brief summary of AURA's proposed work effort.
  - c) A description of subcontractors, partners or other required parties to the efforts and each one's proposed work effort;
  - d) Indicate the reporting lines and responsibilities;
  - e) Identify international considerations;
  - f) Indicate resource considerations including implied future commitments;
  - g) Indicate the relationship to AURA and Center long term plans;
  - h) Identify risks known as potential;
  - i) Provide schedule and progress points; and,
  - j) Other policy considerations.
- 2) The "Pre-Proposal Report" shall be prepared and submitted to the Corporate Office as soon as practical upon the Center's decision to produce a proposal. The AURA Corporate Office will attach comments within twenty-four hours of receipt and forward it to the Board of Directors and to the appropriate Management Council concurrently for its review and approval to proceed with the proposal.
- 3) Upon recommendation by the Management Council and approval by the Board to proceed to a final proposal for the Board approval, the Corporate Office will alert an "ad hoc" committee formed at the discretion and direction of the Board Chair, to take the responsibility to monitor the development of each such proposal and to present to the Board, in a timely manner, a recommendation for approval of the proposal or other actions as appropriate. Appointment to the "ad hoc" committee may include Board members and Management Council members.
- f. Proposals submitted in accordance with the procedures set forth above may be negotiated by the Center Director or designee. All modifications or amendments thereto may be executed by the Center Director or designee in any amount not greater than \$1,000,000. For those instruments, which are in amounts greater

than \$1,000,000, negotiation and execution is required by the President or designee on behalf of AURA subject to the following;

- 1) Negotiations do not result in changes which are contrary to AURA policies;
- 2) Negotiations of any proposal, which required prior AURA approval, do not result in any substantive changes to the science tasks to be undertaken; and,
- 3) Negotiations do not result in a reduction in the AURA management fee associated with the proposal without prior concurrence of the AURA President or designee.

g. Corporate Management Fee and Corporate cost recovery:

- 1) All proposals for new Grants, Cooperative Agreements, or Contracts, as permitted by regulation or law, shall include a line item for AURA Corporate management fee. The amount of fee is subject to case by case consideration and is set by the Vice President for Administration in consultation with the President;
- 2) All proposals for new Grants, Cooperative Agreements, or Contracts shall include a line item for AURA Corporate cost recovery referred to as F&A. The F&A rate is expressed as a percentage of all costs estimated to be incurred in a given fiscal year and is subject to periodic review with revisions to be published as written directives from the Vice President for Administration;
- 3) Proposal negotiation may not modify either the F&A rate or Management Fee amount without the approval of the AURA President or designee; and,
- 4) Proposals for contracts with commercial or other non-U.S. Government organizations contemplating receipt of payments in excess of the total of direct and indirect costs, shall be referred to the Corporate Office for guidance prior to submittal.

3. Memoranda of Agreement (MOA) or Memoranda of Understanding (MOU) between AURA (to include AURA Centers) and external organizations, which result from proposals, from sources either internal or external to AURA will be approved and signed by the President or designee. The President will keep the AURA Board of Directors informed of the initiation, progress towards, and completion of such MOA/MOU's.
4. The AURA President or his designee is authorized to apply to the selected Arizona, Hawaii, Maryland, New Mexico, and Washington, DC, FDIC banks and credit card companies and to execute any and all application forms

requested by said organizations for the issuance of a sufficient number of credit cards as deemed expedient for the use of officers, employees and/or agents of the Corporation.

5. Expenditures

a. The Center Directors are authorized to use facsimile signatures for signing checks to pay AURA employees and creditors. Each of the Center Directors also is authorized to prepare such checks to the limit of the Director's commitment authority as set forth above.

b. Each Center Director authorized to use a facsimile signature will:

1) Establish written procedures to provide an adequate internal control of the check writing function. A copy of those procedures will be provided to the AURA Corporate Office, to be updated as changes and modifications occur; and,

2) Review, personally or through an appointed designee(s), all checks written for amounts greater than \$100,000, and require tangible evidence of such review through initials or signature of the reviewer on the check or the accompanying voucher.

c. Payments for services in excess of \$1,000,000 will require the personal signature of a corporate officer.

6. All actions taken by the President, or designee, under this policy, shall be reported to the Board of Directors as an informational item.

### **III. CORPORATE VEHICLE FLEET - Chile**

#### **A. POLICY**

It is the policy of AURA to provide a fleet of cars for rental as a support service of the program needs in Chile. The Corporate Vehicle Fleet (CVF) will be managed, operated and maintained by the AURA Observatory Support Services (AOSS) under supervision of the Director of AURA-O.

#### **B. PROCEDURE**

The size of the CVF will be determined by program support needs in Chile balanced by the availability of funds earned through vehicle rental and periodic investment by the Corporate Office.

It is a corporate goal that the CVF will be self-sustaining with minimal net corporate input to the purchase of additional and/or replacement vehicles.

In order to reduce CVF maintenance costs to the lowest practicable level, vehicle turnover should be based upon usage, maintenance costs due to aging and/or wear and assessment of future operational needs. Decisions to replace vehicles, expand or reduce the size of fleet is recommended by the Director of AURA-O and approved by the V.P. of Administration.

Rental charges for the CVF units will be based upon the recovery of costs for replacement, insurance and maintenance of the fleet and will be approved by the Director of AURA-O.

## IV. FUND RAISING

### A. PURPOSE

This policy sets forth the procedures that AURA Centers and the AURA Corporate Office will follow in soliciting non-Federal funding for new activities within AURA's mission. This policy reflects the legal and contractual framework within which AURA operates as a non-profit and tax-exempt 501(c)(3) organization and a performer of Federally funded programs.

### B. GENERAL

1. Solicitation of non-Federal funding is strongly encouraged as an effective way of increasing AURA's ability to perform its mission, especially by enabling it to perform specific activities or projects within that mission for which Federal funding is not currently being provided or is not available or for which non-Federal contributions may be required;
2. To the extent practicable AURA will avoid competing with AURA's own member institutions for external funds;
3. When soliciting non-Federal funds AURA must be represented by the most senior AURA personnel. Fund raising activities are authorized for the President and Center Directors only. No delegation of this activity may be made without the permission of the AURA President;
4. Solicitation of non-Federal funds by Center Directors must be related to a specific project or activities such as a telescope, outreach activity, visitor center, etc. Such projects or activities shall be in accord with AURA's general mission and shall be separate and distinct from projects and activities currently being supported with Federal funding;
5. Solicitation of non-Federal funds by the President will be related to the mission of AURA and the advancement of astronomy in general; and,
6. All written solicitations or sponsorships must be reviewed and approved, in advance, by the President.

### C. PROCEDURES AND GUIDELINES

1. Before solicitation may begin in any particular state a registration statement must be filed with the appropriate agency of that state on behalf of the Corporate Office. The Uniform Registration Statement shall be used whenever it is accepted. The Corporate Office will take the lead in filing the registration statement with the support of the relevant Center Director(s);
2. Prospective donors may be advised that their contributions will be tax-deductible;
3. The costs of solicitation are chargeable to AURA's corporate funds only and shall not be charged to any Federal contract, grant, or cooperative agreement. Subject

to this guideline, fund raising may be performed within or outside of normal working hours including vacation or special leave time;

4. Accounting controls shall be established to ensure that the activities supported by non-Federal funding are not charged to Federally funded programs;
5. The donor may designate the funds received as “restricted” funds (dedicated to a specific project or purpose or to be spent in a particular manner) or “general purpose” funds (usable at the discretion of AURA for a variety of activities), according to the instruction of the donor. Restricted funds may not be received or used for purposes that contravene AURA’s non-discriminatory policies and obligations under Federal funding instruments. Record keeping of donor instructions shall be maintained; and,
6. If AURA wishes to participate in a Federal program that requires non-Federal contributions AURA will consult with the Federal agency involved to determine whether there are any specific additional requirements existing before soliciting non-Federal funds for this purpose.

#### D. COORDINATION

Coordination of fund raising activities by the Corporate Office is intended to ensure that these guidelines are properly implemented and that any conflicts with member institutions can be resolved.

1. The AURA President will mediate any conflicts between Centers and member institutions at the request of the Center Director or a member institution; and,
2. The AURA President must be informed in advance of any planned meeting, letter, or contact with a potential donor.

#### E. OVERSIGHT

The AURA Audit Committee will review all fund raising activities on a periodic basis. Such review is intended to ensure compliance with these policies, to amend these policies, and to recommend measures that will increase the success of AURA’s fund raising efforts.

## V. AURA Procurement Policies

AURA's policy shall be to follow policies and procedures for the procurement of goods and services as required by the applicable Code of Federal Regulations (CFR), Federal Acquisition Regulations (FAR), the Uniform Commercial Code (UCC), and other federal agency terms and conditions including, but not limited to, the NSF Grant Conditions (GC-1), NSF Cooperative Agreement Financial & Administrative Terms and Conditions (CA-FATCs) and other applicable cooperative agreement requirements, NASA Federal Acquisition Regulations (NFARS), applicable foreign law when necessary due to project location, and standard acceptable business practices in the issuance of purchase orders sub-awards and contracts. The purpose of these procurement procedures is to promote the goals of the AURA Centers by: (1) maximizing value received in procurements; (2) ensuring compliance with government conditions; and (3) promoting efficiency in procurements by standardizing processes as much as practicable.

Accordingly, AURA has developed a Procurement Manual designed to adapt those other policies, procedures, and regulations to the basic requirements of the AURA business environment. The policies and procedures set forth in the Procurement Manual are intended as ***minimal guidelines*** for all AURA Center procurement personnel in their purchase of supplies and materials. Individual AURA Centers may vary their procedures accordingly to meet the additional terms and conditions of individual federal agency contracts' and agreements' purchasing requirements as long as their actions (1) are more restrictive than those stated in this policy, (2) can be justified and documented, and (3) are not in violation of applicable federal regulations or acceptable business practices.

The AURA Procurement Policy Manual shall available on the AURA website and will be updated regularly to ensure it complies with government regulations. Each AURA Center is required to post their procurement policies and procedures electronically on their websites. These policies should be easily accessible by all staff. In addition, each center is required to ensure that all procurement staff are adequately trained in these policies and applicable federal guidelines.