

110TH CONGRESS  
1ST SESSION

# H. R. 2949

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2007

Received; read twice and referred to the Committee on Foreign Relations

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## AN ACT

To authorize grants to the Eurasia Foundation, and for  
other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Eurasia Foundation  
3 Act”.

4 **SEC. 2. FINDINGS AND PURPOSES.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) There has been established in the District  
7 of Columbia a private, nonprofit corporation known  
8 as the Eurasia Foundation (hereafter in this Act re-  
9 ferred to as the “Foundation”), which is not an  
10 agency or establishment of the United States Gov-  
11 ernment.

12 (2) In recognition of the valuable contributions  
13 of the Foundation to long-range United States for-  
14 eign policy interests, the United States Government  
15 has, through the United States Agency for Inter-  
16 national Development and the Department of State,  
17 provided financial support for the Foundation.

18 (3) It is in the interest of the United States,  
19 and the further strengthening of cooperation with  
20 the countries of Eurasia, to establish a more perma-  
21 nent mechanism for United States Government fi-  
22 nancial support for the ongoing activities of the  
23 Foundation, while preserving the independent char-  
24 acter of the Foundation.

25 (b) PURPOSES.—The purposes of the Foundation  
26 are—

1           (1) to promote civil society, private enterprise,  
2           and sound public administration and policy in the  
3           countries of Eurasia and in lending encouragement  
4           and assistance to citizens of such countries in their  
5           own efforts to develop more open, just, and demo-  
6           cratic societies;

7           (2) to strengthen indigenous institutions that  
8           foster national development, constructive social  
9           change, equitable economic growth, and cooperative  
10          international relationships that are fully consistent  
11          with and supportive of long-term United States in-  
12          terests with respect to the countries of Eurasia; and

13          (3) to conduct programs in response to initia-  
14          tives in the countries of Eurasia that would be dif-  
15          ficult or impossible for an official United States enti-  
16          ty, and, as a result of its position in the countries  
17          of Eurasia, to respond quickly and flexibly to meet  
18          new opportunities.

19 **SEC. 3. GRANTS TO THE FOUNDATION.**

20          (a) GRANTS REQUIRED.—

21           (1) IN GENERAL.—The Secretary of State shall  
22           make an annual grant to the Foundation to enable  
23           the Foundation to carry out its purposes as specified  
24           in section 2(b).

1           (2) ADDITIONAL REQUIREMENTS.—Each grant  
2 required under paragraph (1)—

3           (A) shall be made with funds specifically  
4 appropriated for grants to the Foundation; and

5           (B) shall be made pursuant to a grant  
6 agreement between the Secretary and the Foun-  
7 dation which—

8           (i) requires that grant funds will only  
9 be used for activities the Board of Direc-  
10 tors of the Foundation determines are con-  
11 sistent with the purposes described in sec-  
12 tion 2(b), and that the Foundation will  
13 otherwise comply with the requirements of  
14 this Act; and

15           (ii) may not require the Foundation to  
16 comply with requirements other than those  
17 specified in this Act.

18       (b) USE OF FUNDS.—The Foundation may use funds  
19 received under a grant described in subsection (a) to carry  
20 out the purposes described in section 2(b).

21       (c) RULE OF CONSTRUCTION.—Nothing in this Act  
22 shall be construed to make the Foundation an agency or  
23 establishment of the United States Government or to  
24 make the members of the Board of Directors of the Foun-

1 dation, or the officers or employees of the Foundation, of-  
2 ficers or employees of the United States.

3 (d) OVERSIGHT.—The Foundation and its grantees  
4 shall be subject to the appropriate oversight procedures  
5 of Congress.

6 (e) OTHER FUNDING.—The Foundation shall have  
7 authority to accept funding from non-United States Gov-  
8 ernment sources to complement United States Govern-  
9 ment funding.

10 (f) SENSE OF CONGRESS.—It is the sense of Con-  
11 gress that—

12 (1) a robust Foundation, funded at the levels  
13 authorized under section 6 of this Act, and at appro-  
14 priate levels in subsequent fiscal years, can con-  
15 tribute significantly to the political, economic, and  
16 social development of democracy and human rights  
17 in the countries of Eurasia;

18 (2) notwithstanding the Foundation’s distin-  
19 guished record of performance, organizations that  
20 seek competitive grants typically perform in a more  
21 transparent and effective manner; and

22 (3) to the maximum extent possible, the Foun-  
23 dation should seek competitive grants to supplement  
24 appropriations from the United States Government,  
25 and at least 20 percent of the funding received in

1 each fiscal year by the Foundation should be from  
2 non-United States Government sources to ensure  
3 continued strong performance of the Foundation.

4 **SEC. 4. ELIGIBILITY OF THE FOUNDATION FOR GRANTS.**

5 (a) COMPLIANCE WITH STATUTORY REQUIRE-  
6 MENTS.—Grants may be made to the Foundation under  
7 this Act only if the Foundation agrees to comply with the  
8 requirements specified in this section and elsewhere in this  
9 Act.

10 (b) FUNDING FOR COVERED PROGRAMS ONLY.—The  
11 Foundation may provide funding only for programs that  
12 are consistent with the purposes set forth in section 2(b).

13 (c) COMPENSATION FOR OFFICERS AND EMPLOYEES  
14 OF THE FOUNDATION.—If an individual who is an officer  
15 or employee of the United States Government serves as  
16 a member of the Board of Directors or as an officer or  
17 employee of the Foundation, that individual may not re-  
18 ceive any compensation or travel expenses in connection  
19 with service performed for the Foundation.

20 (d) PROHIBITION RESPECTING FINANCIAL MAT-  
21 TERS.—The Foundation shall not issue any shares of  
22 stock or declare or pay any dividends. No part of the as-  
23 sets of the Foundation shall inure to the benefit of any  
24 member of the Board of Directors of the Foundation, any  
25 officer or employee of the Foundation, or any other indi-

1 vidual, except as salary or reasonable compensation for ex-  
2 penses incurred in the performance of duties to the Foun-  
3 dation.

4 (e) AUDIT OF ACCOUNTS; REPORTING REQUIRE-  
5 MENTS.—

6 (1) AUDIT OF ACCOUNTS.—The accounts of the  
7 Foundation shall be audited annually in accordance  
8 with generally accepted auditing standards by inde-  
9 pendent certified public accountants or independent  
10 licensed public accountants certified or licensed by a  
11 regulatory authority of a State or other political sub-  
12 division of the United States.

13 (2) REPORTING REQUIREMENTS.—The report  
14 of each such independent audit shall be included in  
15 the annual report required by subsection (h) of this  
16 section. The audit report shall set forth the scope of  
17 the audit and include such statements as are nec-  
18 essary to present fairly the Foundation's assets and  
19 liabilities, surplus or deficit, with an analysis of the  
20 changes therein during the year, supplemented in  
21 reasonable detail by a statement of the Foundation's  
22 income and expenses during the year, and a state-  
23 ment of the application of funds, together with the  
24 independent auditor's opinion of those statements.

25 (f) AUDIT OF FINANCIAL TRANSACTIONS.—

1           (1) AUDIT OF FINANCIAL TRANSACTIONS.—The  
2           financial transactions of the Foundation for each fis-  
3           cal year may be audited by the Government Ac-  
4           countability Office in accordance with such prin-  
5           ciples and procedures and under such rules and reg-  
6           ulations as may be prescribed by the Comptroller  
7           General of the United States.

8           (2) REPORTING REQUIREMENTS.—A report of  
9           each such audit shall be made by the Comptroller  
10          General to the Congress. The report to the Congress  
11          shall contain such comments and information as the  
12          Comptroller General may deem necessary to inform  
13          the Congress of the financial operations and condi-  
14          tion of the Foundation, together with such rec-  
15          ommendations with respect thereto as the Comp-  
16          troller General may deem advisable. A copy of each  
17          report shall be furnished to the President and to the  
18          Foundation at the time submitted to the Congress.

19          (g) RECORDKEEPING REQUIREMENTS; AUDIT AND  
20          EXAMINATION OF BOOKS.—

21                 (1) RECORDKEEPING REQUIREMENTS.—The  
22                 Foundation shall ensure that each recipient of as-  
23                 sistance provided through the Foundation under this  
24                 Act keeps such records as may be reasonably nec-  
25                 essary to fully disclose the amount and the disposi-



1       tion by such recipient of the proceeds of such assist-  
2       ance, the total cost of the project or undertaking in  
3       connection with which such assistance is given or  
4       used, and the amount and nature of that portion of  
5       the cost of the project or undertaking supplied by  
6       other sources, and such other records as will facili-  
7       tate an effective audit.

8               (2) AUDIT AND EXAMINATION OF BOOKS.—The  
9       Foundation shall ensure that it, or any of its duly  
10      authorized representatives, shall have access for the  
11      purpose of audit and examination to any books, doc-  
12      uments, papers, and records of the recipient that are  
13      pertinent to assistance provided through the Foun-  
14      dation under this Act. The Comptroller General of  
15      the United States or any duly authorized representa-  
16      tive of the Comptroller General shall also have ac-  
17      cess thereto for such purpose.

18      (h) ANNUAL REPORT; TESTIMONY RELATING TO RE-  
19      PORT.—

20               (1) ANNUAL REPORT.—

21               (A) IN GENERAL.—Not later than March  
22      31 of each year, the Foundation shall submit  
23      an annual report for the preceding fiscal year  
24      to the President for transmittal to the Con-  
25      gress.

1           (B) CONTENTS.—The report required  
2           under subparagraph (A) shall include a com-  
3           prehensive and detailed report of the Founda-  
4           tion’s operations, activities, financial condition,  
5           and accomplishments under this Act and may  
6           include such recommendations as the Founda-  
7           tion deems appropriate. The report should also  
8           include any information regarding allegations or  
9           reports on the misuse of funds and how such al-  
10          legations or reports were addressed by the  
11          Foundation.

12          (2) TESTIMONY RELATING TO REPORT.—The  
13          Board members and officers of the Foundation shall  
14          be available to testify before appropriate committees  
15          of the Congress with respect to the report required  
16          under paragraph (1), the report of any audit made  
17          by the Comptroller General of the United States  
18          pursuant to subsection (f) of this section, or any  
19          other matter which any such committees may deter-  
20          mine.

21          (i) GRANTEE; CONFLICT OF INTEREST.—A member  
22          of the Board of Directors of the Foundation who serves  
23          as a member of the board of directors or an officer of  
24          a grantee of the Foundation may not receive compensation  
25          for their services but shall be entitled to reimbursement

1 for travel and other expenses incurred by them in connec-  
2 tion with their duties on behalf of such grantee.

3 **SEC. 5. AGREEMENT BETWEEN FOUNDATION AND SUC-**  
4 **CESSOR OR RELATED ENTITY TO THE U.S.**  
5 **RUSSIA INVESTMENT FUND.**

6 (a) **AGREEMENT REQUIRED.**—The Foundation and  
7 any successor or related entity to the U.S. Russia Invest-  
8 ment Fund shall enter into a memorandum of under-  
9 standing for the purpose of coordinating activities carried  
10 out by the Foundation and the successor or related entity.  
11 The memorandum of understanding shall include language  
12 that prohibits the same entities from carrying out the  
13 same activities.

14 (b) **DEADLINE.**—The memorandum of understanding  
15 described in subsection (a) shall be entered into between  
16 the Foundation and the successor or related entity de-  
17 scribed in subsection (a) by not later than the later of  
18 the following:

19 (1) If the successor or related entity is estab-  
20 lished on or before the date of the enactment of this  
21 Act, 90 days after the date of the enactment of this  
22 Act.

23 (2) If the successor or related entity is estab-  
24 lished after the date of the enactment of this Act,

1       90 days after the date on which the entity is estab-  
2       lished.

3       (c) SUBMISSION TO SECRETARY OF STATE AND CON-  
4 GRESS.—The Foundation and the successor or related en-  
5 tity described in subsection (a) shall submit to the Sec-  
6 retary of State and Congress a copy of the memorandum  
7 of understanding described in subsection (a) not later than  
8 30 days after the date on which the parties enter into the  
9 memorandum of understanding.

10       (d) LIMITATIONS.—For the period beginning on the  
11 date on which the successor or related entity described in  
12 subsection (a) is established, or the date of the enactment  
13 of this Act, whichever occurs later, and ending on the date  
14 on which the memorandum of understanding described in  
15 subsection (a) is entered into—

16           (1) United States assistance may not be pro-  
17       vided to the Foundation under any other provision  
18       of law; and

19           (2) funds may not be transferred from the U.S.  
20       Russia Investment Fund to the successor or related  
21       entity or placed in a trust on behalf of the successor  
22       or related entity.

23       (e) SUCCESSOR OR RELATED ENTITY TO THE U.S.  
24 RUSSIA INVESTMENT FUND DEFINED.—In this section,  
25 the term “successor or related entity to the U.S. Russia

1 Investment Fund” or “successor or related entity” means  
2 any organization, corporation, limited-liability partner-  
3 ship, foundation, or other corporate structure that receives  
4 any or all of the remaining funds of the U.S. Russia In-  
5 vestment Fund after liquidation of assets upon closure of  
6 the U.S. Russia Investment Fund.

7 **SEC. 6. COUNTRIES OF EURASIA DEFINED.**

8 In this Act, the term “countries of Eurasia” means  
9 Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the  
10 Kyrgyz Republic, Moldova, the Russian Federation,  
11 Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

12 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

13 (a) IN GENERAL.—There are authorized to be appro-  
14 priated to carry out this Act \$15,000,000 for fiscal year  
15 2008 and such sums as may be necessary for fiscal year  
16 2009.

17 (b) AVAILABILITY.—Amounts appropriated pursuant  
18 to the authorization of appropriation under subsection (a)  
19 are authorized to remain available for 2 years from the  
20 end of the fiscal year for which the amount was appro-  
21 priated.

Passed the House of Representatives November 5,  
2007.

Attest: LORRAINE C. MILLER,  
*Clerk.*