Sustaining Open Infrastructure

Samvera’s journey toward a new model for fiscal sponsorship

16 March · CNI · Spring 2021
What we’ll cover

1. Samvera Community overview
2. Different financial models considered
3. Samvera’s evaluation process
4. Overview of OASIS Foundation-as-a-Service
Samvera Community Overview
The Community

Samvera: a vibrant and welcoming community of information and technology professionals who share challenges, build expertise, and create sustainable, best-in-class solutions, making the world’s digital collections accessible now and into the future.
Governance Recommendations

1. Steering Will Become an Elected Body from Partners
2. Steering Will Hire Centralized Staff
3. Partners Will Develop a Contribution Model
4. Partners Will Establish a Roadmap Council
5. Newly Established Steering Will Update Bylaws
6. Partners Will Assess Governance at the End of 2020
Samvera Contribution Model

- Tiered costs based on size of the institution or service provider
- Provides a stable income for the community

<table>
<thead>
<tr>
<th>Institution (JSTOR or JISC)</th>
<th>Very Small 10, 9, 8</th>
<th>Small 7, 6</th>
<th>Medium 5A, 5B</th>
<th>Large 4, 3</th>
<th>Very Large 2, 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Provider (billed hours)</td>
<td>0-3,000</td>
<td>3,001-7,500</td>
<td>7,501-15,000</td>
<td>15,001-22,500</td>
<td>22,501+</td>
</tr>
<tr>
<td>Minimum Contribution</td>
<td>$500</td>
<td>$1,000</td>
<td>$5,000</td>
<td>$7,500</td>
<td>$10,000</td>
</tr>
</tbody>
</table>
Samvera’s Fundraising Efforts

- Currently Outstanding
- Income

Year |
------
2015 |
2016 |
2017 |
2018 |
2019 |
2020 |
Timeline of Samvera’s Fiscal Sponsorship

2015

- **Governance Established**
  - DuraSpace served as Samvera’s fiscal sponsor starting in 2015
  - Handled banking, legal, purchasing, contracts, wiki space, etc.

2018

- **Governance Recommendations**
  - 2017 saw the kick off of the initial governance working group.
  - In April 2018 recommendations were ratified by Partners

2019

- **LYRASIS DuraSpace Merger**
  - DuraSpace-LYRASIS merger in July 2019
  - Fiscal sponsorship assigned to LYRASIS

2021

- **MOU Expires**
  - New MOU negotiated with LYRASIS in July 2020
  - Expires June 2021
Fiscal Sponsorship
Financial Models
Disclaimer:

- We are not attorneys
- There may be other models
What is Fiscal Sponsorship?

A nonprofit organization (the “fiscal sponsor”) agrees to provide **administrative services** and **oversight** to, and **assume limited legal and financial responsibility** for, the activities of groups or individuals **engaged in work that furthers the fiscal sponsor’s mission**.

-- [National Network of Fiscal Sponsors](#)
Fiscal Sponsorship by nonprofit type

501(c)3: Educational, charitable organizations
Fiscal Sponsor Model A or C

501(c)6: Professional membership organizations
subseries LLCs
Fiscal Sponsorship by a 501(c)3 Organization

IRS requirements include:

- Charitable mission guidelines
- Sponsor maintains control funds

Most common Models:

- A - Comprehensive
- C - Re-granting
Mission

501(c)3 Nonprofit

Model A
“Comprehensive”

Funding
Funding

Model A
“Comprehensive”

Single-Member LLC (SMLLC) option

Mission

501(c)3 Nonprofit

PROGRAM

PROJECT

PROGRAM
Funding

Model C

“Re-granting”
Fiscal Sponsorship by a 501(c)6 Organization

- Less restrictive tax-exempt status
- Can create "cellular" or "series" companies for projects
- Projects operate independently with administrative and legal support
Funding

501(c)6 Nonprofit

501(c)6 Nonprofit LLC

501(c)6 series LLC fiscal sponsorship

Series LLC PROJECT
Series LLC PROJECT
Series LLC PROJECT
Samvera’s Evaluation Process
Timeline for Change

January
- Identified potential fiscal sponsors, evaluation criteria, and our evaluation rubric.

February
- Communications planning to the community.

March
- Review of necessary changes and approval by the community.

April
- Implementation of the changes

**Evaluation**
Steering invited organizations to present on their sponsorship models.

**Planning**
Steering identified a timeline for the change and how to communicate to the Community.

**Approval**
Steering presented changes to the bylaw and fiscal sponsorship to the community. OASIS presents Samvera to their Board.

**Changes**
Steering will work with LYRASIS and OASIS to migrate our legal and fiscal assets to OASIS.
Evaluation Criteria

1. Financial stability of the organization
2. Balance of support and flexibility in sponsorship model
3. Cost effective and flexible administrative services
4. Samvera staff employment support and independence
5. Appropriate insurances, auditing, and tax services
6. Alignment with Community values
7. Samvera’s legal status within the org
8. Legal support and expertise around open source legal, license, and trademark issues
9. Banking, accounts payable/receivable
10. Quality financial budgeting and reporting
11. Legal support and expertise for CoC and related legal concerns
12. Organizational reputation
13. Experience with open source communities
14. Governance and policy support
15. Fundraising support
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Overview of OASIS Foundation-as-a-Service
Who is OASIS?

- Global, nonprofit consortium for advancing open standards and open source projects
- Promotes interoperability, innovation, and freedom of choice
- Broad agenda
- Home of SAML, KMIP, PKCS, OpenC2, CAP, OpenDocument, TOSCA, OData, MQTT, and more

*6 continents, 70+ communities, 50+ standards, 2000+ participants*
OASIS Programs

- Technical Committees
- Open Projects
- Technical Advisory Groups to ISO
- Foundation-as-a-Service
Foundation-as-a-Service (FaaS)

- Transfer assets to 501(c)(6) under OASIS nonprofit umbrella
- Maintain your own governance structure
- Form and run working groups under your rules
- Rely on OASIS to handle fiscal and legal admin
- Advance agenda
- Choose to use OASIS staff or others for tech admin, marketing and event support
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Our experience so far

- Legal review is invaluable
- Stability and knowledge from another side of OSS
- Quick startup
Additional Resources

- Comparing 501(c)(3) vs. 501(c)(6) for Nonprofit Startups
- Fiscal Sponsorship: A Balanced Overview
- OASIS Open Foundation-as-a-Service
- Utilizing a Single Member Limited Liability Company to Benefit your Nonprofit
- Working with a Fiscal Sponsor
Questions?