

# Recommendation to Change Samvera Fiscal Sponsor, March 2021

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## Background

A little less than a year ago, the Samvera Community renewed its MOU with LYRASIS. Our existing MOU limits the relationship between the Community and LYRASIS to that of a fiscal sponsor relationship. Per the MOU, LYRASIS agreed to allow the Community to continue as an independent program through June 30th, 2021, paying a lower fee for fiscal sponsorship services than what LYRASIS-sponsored programs pay.

At the time of renewal, LYRASIS asked the Samvera Steering Group to use the following year to explore becoming a LYRASIS Community Supported Program. As part of our due diligence, the Samvera Steering Group evaluated fiscal sponsorship options available in the academic and open source software ecosystems.

## Sponsor evaluation process

To facilitate the evaluation process, Steering identified qualitative and operational criteria to help focus the evaluation.

Qualitative criteria included:

- Balance of support and flexibility in sponsorship model

- Experience with open source software and communities
- Alignment with Samvera Community values
- Organizational reputation

Operational criteria included:

- Financial stability of the larger organization
- Cost effective and flexible administrative services including banking, accounts payable/receivable, budget reporting, auditing, tax services, etc.
- Legal support and expertise including support for intellectual property concerns, license, trademark, and other related legal concerns
- Support for Samvera staff employment
- Governance and policy support
- Fundraising support

The Steering Group researched fiscal sponsorship options and asked Partner institutions for suggestions. The Steering Group considered a number of organizations in an initial review of options and selected those that most closely matched the identified criteria. The Group began a more detailed evaluation process for three organizations: [LYRISIS](#) Community-Supported Programs, [OASIS](#) Foundation-as-a-Service, and [Code for Science & Society](#) project sponsorship. Each of these organizations offers different fiscal sponsorship services to open source communities.

The Steering Group met with each organization and evaluated their services using a weighted evaluation sheet which aggregated individual member scores. The Group also performed additional research such as speaking to staff of existing sponsored projects and reviewing sample MOU documents.

## Recommendation: OASIS Foundation-as-a-Service (FaaS)

While all three organizations have an excellent track record of services to projects, OASIS Open stood out by offering three important features: continued project independence; comprehensive fiscal and legal expertise; and a cost-effective fee.

### *OASIS maintains Samvera's independence*

- The OASIS Foundation-as-a-Service (FaaS) model of fiscal sponsorship preserves Community independence and is the model closest to the current 'status quo'. By contrast, the sponsorship structures of LYRISIS and Code for Science and Society would require that Samvera be subsumed into the sponsoring organization.
- Under the OASIS 501(c)6 nonprofit status, Samvera will become a 501(c)6 nonprofit subseries LLC and thus will be a legal entity rather than a division of a larger organization.

### *OASIS FaaS is comprehensive*

- OASIS FaaS includes all the fiscal and administrative services identified as required in the sponsor evaluation process.
- OASIS FaaS includes access to staff legal counsel with open source expertise who will set up our legal structure and review contracts, by-laws, and policies.
- OASIS Open connects Samvera to the wider FOSS community and existing models for project sustainability.

### *OASIS services are cost-effective and flexible*

- OASIS FaaS services are a flat fee for projects with up to \$610,000 annual revenue;
- OASIS offers optional supplemental services at a transparent per-hour pass-through rate, and does not restrict selection of outside contractors;
- OASIS offers a competitive option for employing salaried staff, but does not require staff to take on additional responsibilities.

## Financial impact

- Fiscal sponsorship with OASIS FaaS is \$50,000 per year for an organization with under \$610,000 in revenue, or 8% of revenue for organizations with greater revenue.
- This rate is an increase in cost compared to the current LYRISIS fiscal sponsorship MOU rate of \$20,000 per year.
  - This fiscal sponsorship relationship and associated fee was taken on by LYRISIS after the DuraSpace merger, as a service to the Community while Samvera and LYRISIS explored becoming a LYRISIS Community Supported Program. This relationship and fee is not available as a long-term option for fiscal sponsorship.
- This rate is lower than the 42% of revenue [edit: 42% of expenditure] paid by projects that are part of LYRISIS Community Supported Programs. This is the model we would need to change to in order to continue with LYRISIS as a fiscal sponsor.
- This rate is slightly higher than the 15% of revenue paid by projects that are part of Code for Science and Society.
- The flat fee means that Samvera revenues can grow substantially without any additional fiscal sponsorship costs.

## What changes will the Community see?

This fiscal sponsor change will have little impact on the day-to-day work of the Community.

1. Samvera will operate as a 501(c)6 nonprofit under the OASIS umbrella

Samvera will become a legal entity, a 501(c)6 nonprofit series LLC under the OASIS umbrella. This means that rather than being subsumed into a larger entity, Samvera will maintain separate accounts and an administrative services agreement with OASIS as the Host LLC.

## 2. Bylaws must be updated

The Samvera Bylaws must be updated to include the OASIS LLC Series Agreement. The existing Bylaws were also reviewed by OASIS general counsel and project staff, who suggested changes for clarity and incorporating into the Bylaws the existing financial governance document, Partners process and expectations, and Code of Conduct. The changes will be voted on by Samvera Partners.

## 3. The Samvera Steering Group will become the Samvera Board of Directors

To comply with OASIS requirements for project Bylaws, the Steering Group will be renamed the Samvera Board of Directors. The functions of this group and the election process will not change; see the proposed Bylaws for details.

## 4. April 2021 Partner contributions will be directed to OASIS

For the purposes of 2021 fundraising, Partner contributions will be directed to “OASIS Development Foundation on behalf of Samvera.” Full details will be sent with the contribution request.

## About OASIS and Foundation-as-a-Service

One of the most respected, non-profit standards bodies in the world, [OASIS Open](#) offers projects—including open source projects—a path to standardization and de jure approval for reference in international policy and procurement.

[OASIS Foundation-as-a-Service](#) streamlines the process of forming and running a foundation for the collaborative development community. It’s the smart solution for groups that want to advance open source code, standards, or related activities. Foundations operate independently while enjoying the benefits of the OASIS nonprofit corporate structure.

Existing projects supported by OASIS include the [Open Mobility Foundation](#), [Open Services for Lifecycle Collaboration](#), and [ODF Advocacy Open Project](#).