Code4Lib Fiscal Continuity Interest Group Report

23 January 2017, updated on 19 September 2017

A. Executive Summary

This report presents the findings and recommendations of the Code4Lib Fiscal Continuity Interest Group (FCIG) to the Code4Lib community, to assist the community in collectively deciding how we may best achieve ongoing, sustainable fiscal responsibility for the Code4Lib annual meeting/conference.

The challenge addressed in this report is that the current process of recruiting each year an external "fiscal host" to bear the burden of financial responsibility for the Code4Lib Conference imposes a very high cost in terms of work, time, and financial risk for those who make the conference possible for the community: the local planning committees and the host institutions. Many community members have expressed significant concern about whether this cost constitutes an unacceptable burden, by hindering the long-term sustainability of the conference, and undermining the overall soundness of the Code4Lib community.

From June-Dec 2016, the Fiscal Continuity Interest Group of Code4Lib explored a wide range of options for alternative approaches/ways to make running the annual meeting/conference more fiscally sustainable.In this report we present an overview of our investigation, summarizing current practice as well as the strongest options for alternative approaches that we identified. To inform the community's evaluation of the choices presented here, we first outline the requirements for maintaining the status quo, and then the requirements for implementation for each alternative approach. Based on these requirements and/or possible terms for each option, we then analyze of the pros and cons for each scenario.

Broadly categorized, the three options discussed in this report are:

- Option 1: maintain the existing practice of local conference planning committees seeking a new "fiscal host" each year

- Option 2: implement a formalized, ongoing fiscal sponsor arrangement with an organization external to Code4Lib

- Option 3: seek out non-profit organizational status for Code4Lib

Structure of the Report

Section B, "Introduction" provides background to the report, by describing the problem of fiscal hosts for the Code4Lib conference, and the formation, objectives, and working process of the FCIG.

Section C, "Findings" outlines in objective terms the requirements for implementation of each of three options, providing descriptions of:

1. current practice ("fiscal hosting" for the annual Code4Lib meeting),

2. proposed terms for fiscal sponsorship offered by two external organizations

3. the process required to form Code4Lib as an independent NPO

Section D, "Analysis", presents summaries of the strongest arguments for and against each of these options.

Section E concludes the report with our recommendation to the community for a process and timetable to collectively discuss this issue online and in person during January-March 2017, to evaluate the options we have presented, in addition to any other serious proposals that community members may make. e recommend that, following that discussion, the community hold a vote in order to select one of those options and identify volunteers to implement it.

B. Introduction

Statement of Problem: Need for Financial Responsibility for Code4Lib Conference

Code4Lib is has no legal status as an organization incorporated or registered with a government entity, but is instead a volunteer-driven collective. Since Code4Lib is not an official organization, it is not possible for Code4Lib to assume legal responsibility for its own expenses incurred to hold the community's annual meeting, which began in 2006. Over the eleven years since the first Code4Lib meeting, what has become "the annual Code4Lib Conference" has been hosted by a succession of libraries, each of which has signed contracts to secure venues, hotel accommodations, and services. This means that as a consequence of hosting the event, each host institution has also played the role of "fiscal host", and has assumed liability for those contracts.

During this time, the annual meeting as an event has grown steadily in size and complexity, into a significant financial undertaking for these fiscal hosts. In the most recent years, the conference has regularly attracted over 400 attendees and has had a budget in the low six figures. This growth of budgets has a direct effect on the amount of risk that the fiscal host takes on in assuming financial responsibility for contracts: in the event of an unexpected cancellation of the event, it is common for hotel and venue contracts to have significant cancellation penalties.

One consequence of this increased risk as the conference has grown is that the potential pool of hosts has shrunk, because there are fewer libraries and related institutions who are in a position to take on the financial risk involved in providing a fiscal host for the Code4Lib Conference. Additionally, such risk should not be minimized as an issue, in terms of potential consequences for individuals involved in conference planning, or long-term outcomes for the community. In the worst case, the financial failure of a meeting could result in broad unwillingness to host future meetings, and professional and personal consequences for any community members employed by the host institution. There has also been at least one recent case in which a local planning committee had plenty of volunteers capable of planning and running the meeting but was unable to find a host institution willing to assume the financial liability.

This situation has prompted engaged discussion among community members about how this approach to organizing and funding the annual meeting, as well as the increasing expense associated with the conference as it grows, reflects our purpose and values as a community. The concerns expressed speak to different aspects of the ideals and goals that are fundamental to Code4Lib.

The purpose of this report is to provide concrete options for our community to consider as we assess the practical realities and trade-offs between the advantages of taking on increased financial responsibility and "overhead", and the imperative to maintain the core purpose and values of Code4Lib as an independent, open, and responsive community.

Formation of the FCIG

The fiscal continuity interest group began in July 2016 in response to a call for volunteers to form a working group to explore options for "setting up something that can act as an ongoing fiscal host for the annual Code4Lib conference", which was part of an email listserv discussion begun in June of 2016 about "formalizing Code4Lib"; and from a call by Coral Sheldon-Hess for folks to "self-nominate, to join a group to investigate making Code4Lib fiscally sustainable."

In the June 2016 listserv discussion, discussion centered on questions about how to best reconcile Code4Lib's long-standing identity as a community of individuals without hierarchy, bylaws, or official leadership roles, with the practical demands of organizing the annual Code4Lib conference. How could Code4Lib as a "loosely-affiliated community," formed for the purpose of sharing information and ideas apart from any mandated or official structure, now manage the financial responsibility for the conference that grew out of these original informal community discussions? The FCIG tasked itself with exploring options for alternative approaches/ways to make Code4Lib more fiscally sustainable, particularly with respect to running the annual meeting/conference.

FCIG Process

The FCIG shared communications via a Google group list, and met via videochat 1-2 times per month from July 1, 2016 - Dec. 23, 2016. Meeting notes are shared at the FCIG wiki page within the main Code4Lib wiki.

In initial discussions, the group brainstormed many potential options to explore as ways for Code4Lib to move forward in establishing, or determining not to establish, an ongoing fiscal entity; the FCIG wiki page

contains an extensive list of these possibilities. Group consensus determined which of these preliminary possibilities to gather more information about. Individuals volunteered to do the work of investigating each option. In order to provide a consistent and comprehensive template for discussions with potential fiscal sponsors, Coral Sheldon-Hess compiled a list of questions which was reviewed and agreed upon by the group. This list is included in the Appendix A section of this report.

C. Findings

This section outlines the practical requirements for implementation or continuation, for each of three options:

1. maintaining the status quo of fiscal hosting

2. obtaining ongoing fiscal sponsorship (ie, terms offered by external organizations approached by the FCIG)

3. forming Code4Lib as a non-profit organization

Option 1: Maintain the status quo

Description of Current Practice

At present, Code4Lib has no legal status and is not an official organization. In one sense, "Code4Lib" does not exist; there is no governance structure nor even any guidelines for membership. The Code4Lib Conference does have a Code of Conduct that applies to individuals who pay a registration fee to attend this event, but otherwise there are no rules for what Code4Lib is or what its members do. In another sense, Code4Lib is an active and significant professional group: in addition to the annual conference, there are a number of regional meetings each year, the publication of the Code4Lib journal, and the maintenance of a variety of communications forums.

The fundraising process employed for the annual Code4Lib meeting reflects the community's DIY traditions. Recent total budgets for the annual Code4Lib conference have exceeded $250,000, with roughly half of the cost covered by sponsor donations and half by registration fees. These contributions are secured through the work of a Code4Lib Sponsorship Committee, which self-nominates, forming each year as a group of volunteers who spontaneously reply to a call on the Code4Lib listserv. The Sponsorship Committee follows the successful precedents established by the actions of previous years/committees, but has no official guidelines or instructions. However, the LPC will typically pay close attention to the actions of the Sponsorship Committee, as it is ultimately the responsibility of the institution that is hosting Code4Lib to cover any shortfalls. Members of the Sponsorship Committee sign up to take individual responsibility for contacting potential donors, who are chosen from lists of previous years' donors, as well as brainstormed by the Sponsorship Committee each year based on the committee members' own contacts, or the geographic location of the conference that year. Perhaps the only limitation on donors is that they must be institutions that do not have requirements for donating only to 501(c)(3) status organizations, because Code4Lib does not have this status.

Since Code4Lib is not an official organization, and therefore does not have any legal capacity to hold funds or to assume responsibility for contracts, it has been necessary each year to secure an agreement from another legal entity willing to take fiscal responsibility for conference expenses (the "fiscal host"). The fiscal host has often been the library or organization that is supplying space for the conference, but that need not be the case. Every year the work of finding and recruiting the fiscal host has been done by local planning committees, who have usually turned to institutions in their own geographic area willing to perform this service. In addition to signing contracts and bearing the financial liability of the contract, the fiscal host has typically done the conference bookkeeping as well.

Code4Lib has so far been fortunate in the successful hosting of conferences, and has benefited from the goodwill of the community by receiving support from institutions willing to voluntarily provide fiscal hosting. However, these fortuitous circumstances are by no means a given in events planning, and the willingness

thus far of institutions to act as fiscal hosts does not mean that the risk an institution takes on should be discounted.

Additionally, the need to secure a new fiscal host each year can add substantial complexity to the planning process, in the event of any irregularities in determining a host site. Preparations for the 2017 conference provide an example of the kind of complications that can ensue, and the kind of liability that the fiscal host takes on. The local planning committee for the 2017 conference includes members from southern California and the southeast U.S. from the original Chattanooga 2017 group. However, the fiscal host for the 2017 conference is UCLA, who is the entity that has signed contracts with an event planner, with the venue, with several hotels, and with providers of other services. As such, UCLA is ultimately responsible for paying on those contracts, and some of those liabilities would not disappear even if the 2017 conference were abruptly cancelled. For example, in order to secure sufficient hotel rooms for attendees, UCLA has guaranteed that a certain number of hotel-nights will be purchased by conference attendees; if a threshold is not met, UCLA would be obligated to pay the difference.

The lack of independent financial agency means that Code4Lib has no bank account, and in principle each year's LPC has to prepare to start from scratch, which can make it a challenge to pay deposits to secure venue space. Fortunately, each conference gets some seed money from the previous year's LPC; for example, UCLA received over $30,000 from the surplus achieved by the 2016 conference. Additional funding comes from registration fees and sponsorships.

Option 2: Obtain Ongoing Fiscal Sponsorship from an External Organization

What Fiscal Sponsorship is and how it works

In essence, fiscal sponsorship would secure for Code4Lib a similar relationship to the annual fiscal hosts, except for an ongoing duration, and in exchange for a fee paid by Code4Lib to the sponsor organization.

Fiscal sponsorship is a formal arrangement between a 501(c)(3) non-profit organization and a project, organization, group, or program that may lack tax-exempt status. Common functions provided by fiscal sponsors include assisting with fundraising, receiving charitable contributions on behalf of the sponsored project, and performing financial/administrative tasks such as handling contracts and disbursing funds. The website of theNational Council of Nonprofits provides a comprehensive overview of considerations for these arrangements, and links to many resources for more information on fiscal sponsorship. A specific example of a fiscal sponsorship agreement is the one between the Software Freedom Conservancy and the Evergreen Project.

For the purposes of this report, fiscal sponsorship would be a formal arrangement between the Code4Lib community, as defined for our purposes on the Code4Lib website about page, and a sponsor organization, to provide the following minimum services:

- Hold funds on behalf of Code4Lib

- Sign contracts with entities providing services for the annual conference, including professional event managers, conference venues, and hotels.

- As signatory, assume direct financial liability for these contracts. This means that the fiscal sponsor assumes financial responsibility for the Code4Lib conference, thereby eliminating the need for the local planning committee to recruit an institution to be the "fiscal host" for the conference each year.

The services outlined above focus on the minimum fiscal sponsorship responsibility necessary to support the annual Code4Lib conference, because so far that has been the extent of Code4Lib's financial needs. If ongoing fiscal sponsorship is secured, however, this arrangement could potentially allow Code4Lib to also use these services for other purposes as designated by the community.

Organizations Researched

The FCIG obtained information from the following organizations about possible terms for fiscal sponsorship:

1. Fractured Atlas

2. LITA/ALA

3. Nercomp

4. CLIR/DLF

5. Fiscal Sponsor Directory

6. Educopia

Of this list, Fractured Atlas and Nercomp were determined not to be possible to pursue further. LITA/ALA and CLIR/DLF each offered possible terms for fiscal sponsorship arrangements with Code4Lib. The LITA/ALA and CLIR/DLF sections below outline these terms, and reflect these organizations' responses to the list of "Questions posed to potential Fiscal Sponsors", in Appendix A of this report.

In addition to the individual organizations in #1-4, the FCIG also conducted a basic search within the online Fiscal Sponsor Directory, to get a sense of what arrangements other possible fiscal sponsors in this list might offer. The directory search provided a list of approximately ten organizations whose mission and sponsorship focus appear compatible with Code4Lib; these organizations could be examined more closely if Code4Lib wants to pursue a contract for fiscal sponsorship but elects not to choose one of the possibilities presented in this report. This list is at the FCIG wiki page.

Finally, very late in the process, the FCIG also inquired with Educopia. We did not have time to complete this discussion, but this organization may be another possibility to consider, as a fiscal sponsor. The FCIG will provide an addenda to this report if we are able to gather more information about this possibility.

Summary of Findings from Each Organization

1. Fractured Atlas

Fractured Atlas (FA) focuses on arts and cultural sector endeavors, and offers fee-based fiscal sponsorship which provides the benefits of 501(c)(3) status to entities that do not have this tax status. Since the range of projects and organizations that FA sponsors encompasses a wide range of cultural-sector activities, the FCIG contacted FA to find out if Code4Lib could be considered for sponsorship, and/or to get recommendations for other options Code4Lib could consider. We contacted Fractured Atlas by phone August 11, 2016. The staff person we spoke to advised us that Code4Lib as an organization would not fall within the scope of Fractured Atlas' work, and recommended against applying for sponsorship from FA. She recommended that Code4Lib look for a fiscal sponsor within the Fiscal Sponsor Directory. (http://www.fiscalsponsordirectory.org/)

1. LITA/ALA

Proposed Terms for Fiscal Sponsorship

The Library Information Technology Association (LITA), a division of the American Library Association (ALA), is willing to serve as a fiscal agent for the Code4Lib conference on either a short-term or long-term basis. There are two models under which this could happen:

In the first model, ALA would act as an "Association Management Firm" for Code4Lib, where there would be a contract between the two organizations, and ALA would only handle the contracts for the conference. ALA would not be responsible for insurance, liability, or taxes. This is important to note, because ALA would require that a tax return be filed, which would have to be done by Code4Lib; and ALA's tax-exempt status would not be part of the deal, since ALA would have no authority and would only act on behalf of Code4Lib. Although it wouldn't be required, ALA would strongly recommend that Code4Lib incorporate in this scenario, or else the individuals would be personally liable and would have to pay taxes on any revenue.

In the second model Code4Lib would need to become part of ALA and live within LITA. The advantages of doing this would be gaining ALA's tax-exempt status and liability insurance, as well as some persistence from year-to-year, while the disadvantages would be paying ALA's overhead rates and dealing with the bureaucracy. ALA's overhead rate for fiscal years 2017 and 2018 will be 26.4% of gross revenue; there is the potential for it

to change after that, but ALA has said it doesn't anticipate the rate going above 26.4% at this time. Each year's conference organizers would need to be LITA members, but they would be the only ones. Associate, Staff Support, and Friends dues levels are much less expensive than those for a degreed-librarian, so this might not be as expensive a proposition as it sounds.

Unfortunately, there is no legal in-between or compromise between these positions, because "fiscal agent" isn't a legal term, and ALA can't assume liability for an event over which it has no authority. Legal contractual needs aside, LITA has no interest in telling Code4Lib how to operate, and they only have two staff members, meaning that they do not have capacity to run Code4Lib or even interfere with how it runs. LITA is confident that "we can create a Code4Lib bubble within LITA that puts as little bureaucracy on the group as possible," but it would require a number of initial conversations to make sure both groups were comfortable with the details of the arrangement.

Assuming the second model is the option we choose, Code4Lib could still use CONCENTRA Conference Management Services for our conferences. ALA/LITA would sign the contract with CONCENTRA, though Code4Lib would negotiate the details, since the committee would know what it wants. ALA's lawyer would have to review the first contract; future committees could keep using the same document until there are changes, which would again be reviewed by the lawyer. When LITA does this for LITA Forum, there's no cost because it is part of the overhead LITA pays to ALA.

Although the legal language can be concerning, there are certain pieces that are incredibly beneficial; for instance, the language around the ability to cancel the conference with no penalty if changes (even potential ones) in local legislation threaten the safety of attendees.

If Code4Lib chooses to partner with LITA/ALA, it would be best to do so for at least 2-3 years, to determine whether or not it is a good fit (and to make all of the paperwork worth doing). At that point Code4Lib would be free to continue with LITA/ALA, to find another fiscal sponsor, or to seek its own nonprofit status.

1. Nercomp

The FCIG also reached out to NERCOMP (the NorthEast Regional Computing Program), but after discussion, concluded Code4Lib and NERCOMP were not a good fit.

1. CLIR/DLF

Proposed Terms for Fiscal Sponsorship

The Council on Library and Information Resources, the parent organization of the Digital Library Federation, has also offered possible terms for providing ongoing fiscal sponsorship for Code4Lib. The terms outlined below were discussed via email and phone conversations with Bethany Nowviskie, Director, DLF, and Sharon Ivy Weiss, Chief Operating Officer, CLIR, between October-December 2016. In these conversations, the FCIG provided via email an adaptation of the list of questions Coral prepared for potential sponsors (as discussed with LITA/ALA, outlined above). Quotations below are taken from emails written by Bethany Nowviskie in response to these questions, and are used with her permission.

Time Frame

CLIR/DLF would prefer a "longer-term, multiple-year relationship", as a provider of ongoing fiscal sponsor services for Code4Lib, rather than a short-term arrangement such as a one-year minimum. On this point, CLIR's response noted that the investment of time required by both groups to arrange and manage the transition to a fiscal sponsorship arrangement would simply mean that a one-year agreement would not be as worthwhile.

Services Provided, MoU, and Conference Logistics

Fiscal sponsor services provided by CLIR would include managing funds for Code4Lib, negotiating contracts and event insurance on the group's behalf, and performing routine fiscal tasks such as creating audits and reports for the group's funds upon request. DLF would continue to support the Code4Lib listserv and serve as a collegial point of contact with the Code4Lib community, in evolving the CLIR/DLF relationship. To

specify and document expectations on both sides and formalize the fiscal sponsorship, CLIR requests that Code4Lib establish an MoU with CLIR.

In terms of planning and organizational work for the annual Code4Lib conference, CLIR would not require any departure from the current structure of Code4Lib community volunteers self-organizing each year. For example, CLIR would not require or request that Code4Lib's annual conference organizers be affiliated with CLIR/DLF member organizations. Also keeping with Code4Lib's recent practice, CLIR would request that Code4Lib continue to hire CONCENTRA "or another firm as a subcontractor for conference logistics — including all planning and event management not undertaken by local hosts and volunteers." This is because CLIR and DLF do not currently have adequate staffing to cover the conference-organizing services that CONCENTRA has provided to Code4Lib, and the recommended fiscal sponsor fee paid to CLIR would not be sufficient to cover these services.

As Code4Lib's ongoing fiscal sponsor, and more specifically as the signatory to contracts for conference expenses, CLIR would assume financial liability for Code4Lib's annual conference. In order to limit the financial risks involved in this role, CLIR would strongly recommend/request that Code4Lib obtain event insurance for future conferences. CLIR has experience with purchasing event insurance for other conferences such as the DLF Forum, and can provide recommendations to Code4Lib about options.

Regarding filing taxes and other accounting work, CLIR/DLF would perform routine financial tasks and accounting on Code4Lib's behalf; this work would be included as part of CLIR's overall legal accounting responsibilities as a non-profit organization. This means that CLIR/DLF would do the work of "saving receipts, doing monthly financial analyses, filing annual tax returns, being professionally audited on a regular basis, etc., and Code4Lib would not have to file separate taxes or do anything extra in that regard."

Fees and Financial Arrangements

The fee structure and financial considerations that CLIR/DLF has proposed for the fiscal sponsor services described above have three elements and are "largely designed to help put Code4Lib on stable financial footing:"

1. CLIR/DLF would request payment of an annual fee of $5,000 as compensation for staff time and auditor fees required for fiscal sponsor services.

2. CLIR would request that any net proceeds left over after expenses for the 2017 Code4Lib conference be deposited into a reserve account, to begin to establish a financial "nest-egg" for the Code4Lib group, rather than be applied forward immediately to the 2018 conference. "These funds could be drawn upon for the 2018 conference if needed, but ideally would grow to a comfortable amount to supplement any future losses not covered by event insurance. The target amount to be reserved for emergency could be discussed as part of a Code4Lib/CLIR MoU."

3. CLIR would request that conference budgets be established to allow for a second annual payment of at least $5,000 be deposited by Code4Lib into the "nest egg" account. The purpose of this annual payment would be "to help grow that account, and with the idea that, once it reaches its target size, it might be used — at your discretion — as a backstop budget for new initiatives or in the event that the community approaches CLIR/DLF to perform services beyond what's outlined in our MoU and above the level of what we are able to do out of simple goodwill (major new infrastructure investments, etc)."

Other Issues Addressed: Summary of CLIR's Responses to Potential Sponsor Questions

CLIR would not request any control over Code4Lib's organizational/"governance" processes, or that Code4Lib adopt CLIR's or DLF's bylaws.

In terms of contact persons between Code4Lib and CLIR/DLF, CLIR expressed familiarity with Code4Lib's current operational processes, and indicated that they would be fine with these processes continuing: "Single point of contact, changing annually, and without a required connection to CLIR or DLF is fine. In short, the practice of having local organizing committees and rotating leadership over the conference and other activities that currently exists in Code4Lib would be acceptable. We work with some other groups who operate in this

way, and were also comfortable taking on hosting of the Code4Lib listserv recently, knowing and appreciating how grassroots leadership happens in the community!"

CLIR has no objections to a decision by Code4Lib to hold future conferences in Canada, or to including international attendees at Code4Lib events. CLIR also noted that they recently had a successful experience holding a conference in Canada (2015 DLF Forum).

DLF requests that all events they sponsor have a Code of Conduct, and noted that Code4Lib's existing Code satisfies this requirement, and also expressed appreciation that Code4Lib's Code of Conduct precedes the DLF's.

Regarding past or current experience as fiscal sponsor for other groups, CLIR has recently provided or currently provides ongoing fiscal sponsorship for conferences organized by the DLF, the Open Repositories organization, theInternational Image Interoperability Framework, and the National Digital Stewardship Alliance, and the Taiga Forum, and is happy to provide contact names from these groups to Code4Lib. Since 20 July 2016, CLIR/DLF has also been hosting the Code4Lib listserv.

As these conversations were a preliminary inquiry by the FCIG, CLIR also indicated that if Code4Lib would like to further explore fiscal sponsorship with CLIR/DLF, they would be happy to provide more details such as how staffing arrangements for Code4Lib's bookkeeping would be handled, and discuss recommended target amounts for a "nest egg" reserve and specifics about access by Code4Lib organizers to financial records pertaining to the Code4Lib group and conference expenses.

Option 3: Formation of Code4Lib as a non-profit organization

What a non-profit organization is, and how this is different from Code4Lib now

At present, Code4Lib is an unincorporated association by virtue of its status as a group of people working together for a lawful purpose. Because Code4Lib's activities are not done with a view towards profit, and any surpluses have historically been rolled over to run future conferences, Code4Lib is furthermore an unincorporated *nonprofit* association. As such, any activities performed by the community could result in individual liability to Code4Lib members (although in practice this is a non-issue, as host libraries are the ones signing contracts for annual conference activities) and Code4Lib in and of itself likely has no ability to sign contracts.

An incorporated non-profit organization, i.e., registered in a U.S. state or Canadian province, would be able to sign contracts and would protect members from individual liability. Furthermore, Code4Lib's activities are such that it would likely qualify for U.S. federal tax exempt status.

Some other formal organizational forms were considered in a more cursory fashion. For example, the community could choose to countenance the formation of a for-profit LLC or corporation to run the annual conference. However, the objections to putting Code4Lib's name in the hands of a private entity, no matter how trustworthy, are obvious.

Another organization form that was briefly looked at is that of the World Science Fiction Society, an unincorporated literary society that runs the annual Worldcon and presents the Hugo Awards. The WSFS, by virtue of having a written constitution and ownership of various trademarks, is able to vet potential hosts for Worldcon and ensure a degree of financial transparency, although ultimately, financial liability for each Worldcon rests on its host committee (which typically establishes a non-profit corporation to protect its members from individual liability). The WSFS is governed democratically, as each year's Worldcon members become members of the WSFS and can participate in the annual business meeting. This report will not explore the WSFS further, but the FCIG does point out that the WSFS model might represent an approach for Code4Lib that, while essentially maintaining the status quo, would support better financial transparency.

Requirements for Code4Lib to become a 501c3

Information here is drawn largely from a conversation with attorney Richard H. Bennett of FisherBroyles; while this report attempts to accurately reflect the substance of that conversation, it should not be construed as legal advice from Mr. Bennett.

Several questions were asked during the conversation, and the summary here follows that order. Note that any specifics are based in the law of the state of Georgia; other states may offer somewhat different options for forming non-profit entities.

Based on a description of Code4Lib's activity as a group organizing national conferences, what tax organization structure is preferable?

There was a discussion of profit vs. nonprofit organization, and Bennett agreed that nonprofit organization makes more sense for Code4Lib. Under Georgia law, the most relevant type of nonprofit organization would be a nonprofit corporation (there are also nonprofit trusts, but are more complicated). Other jurisdictions are trying to establish nonprofit or low-profit LLCs, but those don't work in a tax-exempt situation. Georgia is currently considering establishing an option to form public benefit corporations, but this is not an available option yet.

Bennett agrees that it would be worthwhile to pursue tax-exempt status were Code4Lib to form a non-profit corporation.

What sorts of legal expenses can we expect to form a non-profit corporation?

There are two sets of costs: one for the formation of entity, and one for maintaining tax-exempt status.

For a Georgia nonprofit corporation, Bennett estimates about $1,200 to $1,800 in fees (includes $100 filing fee + $40 publication fee + $180 for corporate minute book and seal, with the rest for attorney costs).

Nonprofit typically requires more customization than basic for-profits. There are two types of nonprofits corporations: membership-based and non-membership based. The membership form is probably more suitable for Code4Lib.

There can be a board, for which the recommended size is 5 to 13 people. However, an option that might better suit Code4Lib's democratic nature would be to structure it so that every member of the nonprofit corporation is a member of the board.

If we do that, everybody has a direct vote, although presumably the community would choose to delegate day-to-day business to a set of officers and conference organization to local planning committees. Also, in a model where every Code4Lib member is a member of the board, it would be important to set the quorum size for meetings wisely. We don't want to set it too high, otherwise ordinary business couldn't be done.

The bylaws would establish the quorum, as well as nature of any standing committees and officer positions. Another question that the bylaws would have to answer: what are criteria for membership? It is not legally required to have a membership fee; instead, establishing a mechanism whereby people can sign up to say that they're Code4Lib member is sufficient. If we do it that way, Bennett recommends that there's a mechanism to require periodic confirmation of membership

Tax-exempt status is separate from nonprofit status. Given that Code4Lib's annual budget, including the conference, is more than $25,000 a year, it would be necessary to use the long form.

If a lawyer were to be wholly involved in managing the tax-exempt application, legal fees would be about $3,000 to $5,000. However, it would be an option for Code4Lib members to do most of the work in filling out the IRS paperwork and reduce direct costs.

The IRS fee to file form 1023 or 1024 would be on the order of $850 (it would be $400 if average annual gross receipts were under $10,000).

One question to answer would be whether a 501(c)3 or 501(c)6 is more suitable for Code4Lib.

One requirement for applying for tax-exempt status is providing three years of financial statements:. The past three years of conference budgets would be sufficient to meet this requirement, and aggregate information is sufficient

What sorts of activities must we undertake, to remain in compliance with legal regulations for whatever type of organization we might become?

At minimum, a nonprofit organization must have an annual meeting to elect board and officers. This could be scheduled to occur during the time of the annual conference, but would not have to be. Also, there is no requirement that the meeting must occur in person.

A nonprofit corporation would have to pay an annual filing fee and submit a tax return. Tax-exempt nonprofits would also have to file a federal form 990, which would become a public document.

Proper corporate records (such as board and member minutes) should also be maintained to keep the entity's limited liability shield in place.

D. Analysis of Options

This section summarize the advantages and disadvantages of each option, beginning in each case with a bullet-point list of pros, followed by a brief discussion of these points, then a bullet-point list of cons for that option, again followed by discussion.

In evaluating these options, it is worth noting that Options 2 and 3 are not mutually exclusive; for example, Option 2 could be pursued as an interim solution, while the community further investigates whether to eventually implement Option 3.

Table: Summary of Options

This table gives only a broad comparison of the options. For fuller details on the points summarized below, please see the individual sections for each of the potential fiscal sponsors: LITA/ALA, CLIR/DLF, OLF, and DuraSpace, and the sections presenting the requirements involved in forming a non-profit organization option, as well as maintaining status quo.

Option	Cost required to implement	Other costs/ recurring costs?	Any required changes to Code4Lib conference-planning process?	Any required changes to Code4Lib organizational structure?	Does this provide ongoing fiscal host for Code4Lib conference?
Fiscal sponsorship: LITA/ALA	26.4% of gross revenue		Coordination with LITA/ALA	Primary conference organizers would need to hold LITA membership; would need process to identify primary contact to LITA/ALA	yes

Option	Cost required to implement	Other costs/ recurring costs?	Any required changes to Code4Lib conference-planning process?	Any required changes to Code4Lib organizational structure?	Does this provide ongoing fiscal host for Code4Lib conference?
Fiscal sponsorship: CLIR/DLF	$5,000 / year	$5,000 / year to Code4Lib nest egg account	CLIR/DLF would not require changes; Code4Lib would need to continue hiring conference mgmt services. CLIR/DLF recommends event insurance.	No change to current C4L culture would be necessary. CLIR/DLF is fine with C4L's current practice of local organizing committees and rotating leadership for the conference and other activities. CLIR/DLF requests only that C4L would identify current points of contact for each activity such as conference, listserv, website, etc.	yes
Fiscal sponsorship: Open Library Federation	To be determined, in coordination with OLF	Needs to be determined: whether OLF or C4L would cover event insurance cost annually	OLF did not specify any required changes to the conference planning process	OLF requires member communities to have explicit governance that is documented in a charter or similar instrument	yes

Option	Cost required to implement	Other costs/ recurring costs?	Any required changes to Code4Lib conference-planning process?	Any required changes to Code4Lib organizational structure?	Does this provide ongoing fiscal host for Code4Lib conference?
Fiscal sponsorship: DuraSpace	$7,000 / year	DuraSpace recommends C4L create & maintain a reserve account of $75Kto cover at minimum half of the cost of potential conference failure, and to purchase event insurance for annual conference	DuraSpace would not require changes, but strongly recommends C4L obtain event insurance for annual conference	DuraSpace requests C4L identify leadership with authorization: to sign Memorandum of Understanding (MOU), and to spend C4L funds; also expects C4L to report expenses and revenues annually	yes, with qualification regarding shared coverage of potential conference failure
Code4Lib forms NPO	$2,000 to $8,000 to form	$1,000 to $2,000 in filing fees	Potential need to secure legal services to review contracts.	Election of the board (or setting up board to include all Code4Lib members) and election of officers	yes
Maintain status quo	0	Ongoing liability burdens on host institutions	no	no	no

Option 1: Maintain the status quo

Pros: Reasons to Maintain Status Quo

Based on the factors described above, the FCIG has identified the following possible arguments for continuing with current practice:

- Retain the informal "*community* not *organization*" identity and practices of Code4Lib, as thus far construed/assumed

- Avoid paying fee for fiscal sponsor services

- Choose to implement a different scale/structure for annual meeting. For example, the community could elect to:

    - focus on more but smaller events, such as regional meetings

– only hold a large conference when a sufficiently large institution steps up to role of "fiscal host"

- Deliberately limit pool of donors to Code4Lib, thereby simplifying questions relating to accepting corporate money

The informal nature of Code4Lib, as a *community* not an *organization*, has thus far been a central and defining aspect of its culture. As stated at the Code4Lib website About page, "Things get done because people share ideas, step up to lead, and work together, not because anyone is in charge."https://code4lib.org/about The lack of an ongoing formalized arrangement for handling financial responsibility for the annual meeting may be seen as a manifestation of this culture; ie of the community's preference for allowing LPCs to step up to recruiting a new fiscal host each year, instead of designating an official formalized financial arrangement to be in charge of this responsibility.

At present, Code4Lib provides (in some respects) low barriers to participation and even lower barriers to temporarily or permanently reducing one's level of participation. This, in turn, means that the community has no obligation to run a big annual conference. The lack of obligation means that current practice gives the community a substantial degree of freedom and flexibility. Based on this, the community could use this opportunity to closely examine options for hosting conferences, and make a conscious and explicit decision about what kind of structure it believes to be most effective in serving the current needs of the community. For example, Code4Lib could decide to only run the big annual conference whenever a sufficiently large institution is willing to host it, or could intentionally decide to focus on running more but smaller events that present significantly less financial risk to their hosts, treating the decision to occasionally run a big one as one that is done mindfully, not just because it's what we've always done.

Cons: Limitations of Current Practice

The FCIG has identified the following arguments in favor of changing current practice:

- Demand for attendance/participation in Code4Lib annual meeting has thus far necessitated big-budget conference venue and arrangements, which is unsupported by the current practice

- Time, work, and frustration of "rebuilding from scratch" each year for LPCs

- With current practice, Code4Lib imposes financial risk and extra work on our own institutions and partners each year, and depends upon this goodwill rather than assuming financial responsibility for our own decision to host a large annual conference

Although an argument could be made for choosing to limit the growth of the annual meeting, there is clearly demand for a large, annual Code4Lib conference — the growth of the conference from its humble beginnings demonstrates that, as evidenced by steady yearly increases in amounts of conference funds raised (and corresponding growth in allocated budgets), and registration demand for the Code4Lib conference.

One of the biggest drawbacks of the current approach is the burden imposed each year on the local planning committee to find a fiscal host for the conference. Repeating this process from scratch every year is time- and labor-intensive for the volunteer members of the planning committee. Furthermore, as the community has improved how it runs the annual conference, there are several things being done nowadays that have made the transition from being nice-to-have to be necessary to fully adhere to community values, including more accessibility services, providing numerous diversity scholarships, and providing childcare,

Additionally, the financial risk assumed by the library or library-related organization who takes it on represents a substantial liability for them, and increases each year as the conference budget increases. Although funds collected have exceeded the costs for each Code4Lib conference so far, in the event that a conference failed to meet its expenses, the local fiscal host would be responsible for covering all of the costs of the conference. Potential sources of risk that could lead to a failed conference include any event or circumstance that causes a sudden or unrecoverable loss in attendance, such as a sudden economic downturn, a natural disaster, or shifting political or legal circumstances such as have occurred in many states in recent years, which pose challenges for prospective attendees seeking funding to participate in the event.

As an example, the 2017 conference is expecting expenditures on the order of $250,000; the 2016 conference spent over $200,000, and the 2014 conference spent roughly $100,000.

Finally, there is also no reason to expect that the cost of hosting a Code4Lib conference will necessarily increase monotonically. For example, some host institutions may be able to offer sufficient function space without having to rent it; others may be situated in restaurant-rich areas where it would be plausible to only provide beverage service during the day; in other areas, venues simply charge less. However, it remains the case that hosting the annual Code4Lib conference is an expensive proposition, and one where the financial liability is borne entirely by the host institution.

Option 2: obtain ongoing fiscal sponsorship from an external organization

In this Report, the terms specified for each of the organizations identified as possible fiscal sponsors provide an outline of the requirements and benefits of ongoing fiscal sponsorship with a host organization. This analysis is meant to inform a Code4Lib community vote among the three broad options presented in this Report (1: maintain status quo, 2: obtain ongoing fiscal sponsorship, or 3: form an independent non-profit organization), as well as to provide a basis for comparison between the possible terms offered by each of the organizations within Option 2.

Pros: Possible Benefits of an Ongoing, Long-term fiscal sponsor for Code4Lib

The motivation for securing an ongoing, long-term fiscal sponsor would be to try to address some of the limitations of status quo noted above, and to realize the following potential benefits:

- Avoid having to renegotiate the process of finding and recruiting an organization to be "fiscal host" for the conference every year. This would save work and time for local planning committees, who could potentially direct then their energy to other purposes for Code4Lib

- Enable longer-term planning by Code4Lib

- Possibly widen the range of host sites for conferences, by opening up participation by organizations who would not have the resources necessary for recruiting a local "fiscal host"

- Add mechanisms that would promote greater financial transparency

- In some fiscal arrangements, another possible benefit would be to enlarge the pool of potential donors to Code4Lib, through the ability to accept donations from organizations requiring 501c3 status for donating

  - A larger donor pool could also, however, introduce a need for determining what kinds of guidelines and limitations Code4Lib might choose to set, relative to corporate sponsorship

Cons: Arguments against Option 2

- While both ALA/LITA and DLF/CLIR have made it clear that they would respect the independence of Code4Lib, consideration must be given to what could happen if an external fiscal sponsor were to run into financial difficulty or shut down.

- An external organization could fail to provide services in a timely or effective fashion.

- The existence of a pot of money that is maintained from year to year would likely lead to the community having to make decisions about how to spend it for purposes beyond the annual conference. Some of the implications of that are explored below.

Option 3: Formation of Code4Lib as a non-profit organization

Pros: Possible benefits of forming Code4Lib as an independent, non-profit organization

Establishing a non-profit, tax-exempt organization to be a fiscal home for the annual conference would provide certain financial benefits, including:

- Increased financial transparency of the annual conference

- Independence from external affiliation

- Lower costs for purchasing certain services.

- Greater potential for gathering donations and sponsorships, as donors will be able to write off a portion of their donation on their taxes.

- Greater access to grants.

- The ability to hold property and reuse equipment from year to year.

- The ability to sign long-term contracts.

- The ability to plan conferences more than one year out and potentially lock in lower rates.

A non-profit organization would also be able to assume liability for the conference, making it possible to hold Code4Lib without imposing tens of thousands of dollars of risk on host institutions. This, in turn, could increase the number of potential host sites and local planning committees.

An NPO would also improve the overall financial transparency of the annual conference. Historically, a great deal of information has been passed along from conference to conference, but there is nothing that requires (particularly in a legally enforceable manner) that an LPC provide financial details or be answerable to any entity other than the sponsor institution that is signing the contracts. An NPO, however, would be legally required to make various public financial disclosures, and the by-laws could be written to give members extensive rights of inspection.

Code4Lib qua non-profit organization would enjoy greater freedom of action, being answerable only to its membership, its bylaws, and to the relevant legal authorities. The community could at any time choose spend its money for any lawful purpose it sees fit without having to secure permission from an external organization. Such purposes could include compensating people and institutions for hosting Code4Lib resources, developing tools and services or sustaining them (e.g., the job posting database), paying for more services from Slack, funding scholarships, and so forth.

Cons: Arguments against forming Code4Lib as an independent, non-profit organization

Forming an official organization would require a number of departures from current/historical practice by Code4Lib, some of which may be viewed by the community as significant drawbacks, including:

- a commitment to tasks that need to be performed by some members

- the potential for a hierarchy of tasks and responsibilities performed by/allocated to some members

- the potential for scope creep in Code4Lib's commitments

- accumulated funds would require management and decision-making regarding disbursement

Establishing a non-profit, tax-exempt organization would require that the community pay certain costs in order to form the entity, including legal and filing fees. It would also be necessary to pay costs annually, including filing fees, preparing tax returns, and undergoing audits.

A non-profit organization would also require more work to administer and keep up. This would be a qualitative change, not merely an increase in the amount of work. At present there are no ongoing activities that Code4Lib members perform that the community is required to do. A member may choose to help edit the journal, or not; a group of members may choose to host an event, or not, without any legal obligations until a venue contract is signed. However, an incorporated non-profit organization would at minimum need to have at least one official meeting each year, file paperwork, and pay registration fees. If the community chose to shut down the NPO, doing so would take some work, and it would likely be necessary to identify another NPO to receive any funds.

The existence of an NPO could also lead to unpredictable changes to how the community governs itself, both for good and ill. A membership-based NPO that had a fully democratic decision-making process (e.g., where all members are automatically members of the board) is different from a community where folks can drop in and out any time. Since some day-to-day functions would inevitably have to be delegated (e.g.,

members cannot *all* be able to sign checks, even if the membership as a whole holds ultimate authority on expenditures), there would necessarily need to be a process (presumably via election) for choosing officers — and that would be a significant change.

An NPO would potentially also be subject to scope creep. On the one hand, this could be construed as a neutral observation: if the community chooses to establish an NPO for the sole purpose of providing an ongoing fiscal sponsor for the annual conference, but later democratically chooses to perform more activities, so be it. On the other hand, an increase to the number of activities that a Code4Lib non-profit organization performs could lead to a reduction of focus on whatever the community considers Code4Lib's core missions to be.

The existence of an NPO as a central organization holding a pot of money would likely require the community to answer certain questions with respect to the multitude of decentralized activities that have and will be done under the Code4Lib banner. As a hypothetical example, some or all of the regular regional meetups might benefit from having access to funding from the NPO, and it would be reasonable for community members who run the regional events to request support—and for the NPO in turn to request a portion of any surpluses in exchange for such support. Such a scenario may or may not be particularly difficult to work through, but would regardless become something that would require community members to make an effort to decide about.

E. Summary

Recommendations for Action

It is the view of various members of the Fiscal Continuity Interest Group that maintaining the status quo presents a risk to the long-term success of the annual conference, and we consequently recommend that the community consider alternatives.

We propose the following process and time-table for the community to make a decision:

January and February 2017

- **Online Community Discussion.** Discuss this report and the various options it explores via the Code4Lib mailing list, Slack, and IRC. Representatives from LITA and the DLF will be available to answer questions and participate in the discussion.

- **Contribute Questions to the Wiki.** To ensure a thorough and inclusive evaluation process, the FCIG suggests that anyone with questions or concerns about any or all of the options discussed post these to a page created for this purpose within the FCIG section of the Code4Lib wiki.

March 2017 (During the 2017 Code4Lib conference)

- **Online and in-person Discussion.** Continue the discussions in person and via streaming. The FCIG has made arrangements to hold breakout sessions as well as a Birds of a Feather meeting on Thursday, March 9, and is working with the 2017 LPC to ensure that the Birds of a Feather meeting is live-streamed.

Shortly after the conference

- **Community Vote.** Hold a community vote via the Diebold-o-tron to decide among the following options:
    - Maintain the status quo
    - Enter into negotiations with LITA or CLIR.
    - Form an independent non-profit organization

– Do something else as per any serious proposals made during the discussions in January, February, and March 2017

Moving Forward

- **Implementation**. If the outcome of the Diebold-o-tron community vote indicates a consensus to do something other than maintain the status quo, implementing the community's choice would require action on the part of one or more people. Consequently, the FCIG recommends that prior to the vote that people put themselves forward as volunteers for an implementation group for one or more of the options.

Appendix A — Questions posed to potential fiscal sponsors

1. What does your fee structure look like, for fiscal sponsorship of a group?

2. What would you need from Code4Lib, in terms of organization? What kind of governance, if any, would your organization need Code4Lib to have?

   1. Is a single point of contact sufficient? (For example, the chair of the conference committee?)

   2. Would it be acceptable for that point of contact to change annually?

   3. (If applicable) Does that point of contact need to be a formal member of your organization?

3. What kind of control does your organization want/need to have, if any, over Code4Lib's processes?

   4. Would your organization need Code4Lib to follow your organization's bylaws, or to have our own?

   5. Would Code4Lib need to adopt your organization's code of conduct for its conferences, or may we continue to use our own?

4. Would we have the option available to have conference in Canada, if a group there volunteered, or would that pose problems for your organization? Can you readily receive and disburse funds in Canadian dollars?

5. Some of our attendees are international; will this pose any problems?

6. Do you have enough staff available to deal with bookkeeping, particularly during the registration rush and the post-conference invoice-paying period?

7. In the worst case, do you have sufficient assets or insurance to absorb the complete failure of a CodeLib conference?

8. Do you currently act as a fiscal sponsor for a group that did not originate from within your own organization? May we contact them?

9. Have you acted in the past as a fiscal sponsor for a group or project that subsequently decided to leave your organization? If so, why did they leave?

10. How would you manage giving Code4Lib conference organizers timely access to financial records for monies held by your organization on Code4Lib's behalf?

11. Are there any significant incompatibilities between your mission and Code4Lib's?

12. Are you able to readily collect funds in a variety of ways, such as check, bank transfer, PayPal, direct credit card payments, and so forth?

Appendix B — Educopia

This section is an addenda to the Report of the FCIG, which was first shared with Code4Lib on January 23, 2017. After the FCIG shared its Report with Code4Lib in late January, we were subsequently able to follow up on our initial inquiry to Educopia, and have prepared this summary of our findings about that option.

The Code4Lib FCIG first reached out to Educopia on January 11, 2017 to inquire if there might be a possibility for a fiscal sponsorship or similar arrangement. We were subsequently able to arrange a phone call for a conversation with Katherine Skinner, Executive Director, Sam Meister, Preservation Communities Manager, and Christina Drummond, Director of Strategic Initiatives of Educopia, on January 31, 2017. In advance of the phone conversation, we sent via email our list of questions for potential sponsors, and our framing questions about duration - to ask about possibilities for short-term or longer-term options for a fiscal sponsorship arrangement.

Our phone conversation on January 31 confirmed that the aims of Educopia's partnership program are well-matched to Code4Lib's commitment to a decentralized, low-cost/low-overhead model for community-led action. The significant scope of services available within Educopia's model for development partnerships, however, likely exceeds the current scope of the FCIG's Report, which has been to investigate options for the primary purpose of securing ongoing fiscal sponsorship for Code4Lib's annual conference. For this reason, the FCIG would recommend that if Code4Lib community members wish to initiate a conversation about pursuing further options relative to Educopia's partnership program, a process for further investigation and discussion by the community should be undertaken to determine if consensus exists to pursue this option.

To summarize Educopia's work and approach, this group works with communities at various stages - "nascent, growing, or revitalizing" - who are actively seeking to grow and mature organizationally. The wide range of communities Educopia engages work in a range of strategic areas, and are typically focused around a defined research area. Educopia's incubator partnerships support organizational maturation by providing information and expertise to assist with development through a series of structured steps, addressing areas including methods for outreach, building revenue models, and considerations for governance structures to facilitate collaborative, responsive partnerships.

This model is in alignment with Code4Lib's cultural values and objectives, but deciding to move in this direction would constitute a significant step relative to Code4Lib's history and identity thus far as a loosely-affiliated community that embraces its role as an open forum for its members' diverse and ever-expanding research interests, rather than focusing around a particular defined area of research. For this reason, the FCIG has determined that this option would require further investigation and significant community evaluation, which exceeds the scope of this Report.

A couple additional points emerged from the conversation with Educopia, which may be useful to include in the broader community discussion as it unfolds. Throughout our communications, Educopia expressed strong support for Code4Lib's exploration of options for developing our community, and their initiatives in this area suggest several areas of expertise that could be very useful for Code4Lib's community to keep in mind going forward, which we have outlined below.

First, Educopia's explicit mission, "to build networks and collaborative communities to help cultural, scientific, and scholarly institutions achieve greater impact" is clearly closely aligned with many areas within Code4Lib's objectives. In practical terms, this suggests that if Code4Lib decides to pursue some form of organizational structure in the future, Educopia's expertise, particularly in helping communities to grow and articulate their strengths and purpose from the earliest stages, and to come up with mechanisms to move forward in making connections" across institutions and sectors" for the purpose of knowledge sharing, could greatly assist Code4Lib's efforts. A specific example discussed in our phone call on January 31 is that Educopia could be a source for recommendations about facilitator/consulting services, to assist with providing neutrality for community development discussions if this avenue is pursued. Another potential area of overlap between Educopia's work and Code4Lib's activities would be if the Code4Lib Journal were to become a further developed initiative in the future. Educopia mentioned their interest in the Journal as a vigorous example of sustained, community-driven and practical research by and for information professionals, and their experience

in supporting interdisciplinary research efforts in this field could be relevant in supporting this endeavor as well.

Appendix C — Open Library Foundation

Appendix C — Proposal by the Open Library Foundation to act as fiscal sponsor

The Open Library Foundation (OLF) acts as a host for FOLIO, the Open Library Environment (OLE), and the Global Knowledgebase (GOKb). It views its mission as

> To assist and facilitate educational organizations, foundations, partnerships and commercial entities in collaborating to foster, develop and sustain open technologies and innovation to support libraries, learning, research and teaching.

OLF has expressed interest in acting as a fiscal sponsor to Code4Lib. In July of 2017, the FCIG posed its questions to Michael Winkler, the Managing Director of OLF. His responses on behalf of OLF follow:

What does your fee structure look like, for fiscal sponsorship of a group?

The OLF is meeting with our initial community this summer to pin down the business model, and the fee structures, for member communities. Currently, OLE and EBSCO have agreed to fund the operations of the Foundation through June of 2018. This will allow our communities to meet and determine the financial structure of the OLF. New member communities would be welcome to those discussions. After half a year of full operations, it is clear to me as Treasurer, that the needs of the OLF financial obligations are reasonably lightweight.

What would you need from Code4Lib, in terms of organization? What kind of governance, if any, would your organization need Code4Lib to have?

In general, the OLF does not proscribe a governance model to member communities. We do require that a community have explicit governance, and that it be documented in a charter, or similar instrument, for the community. The Foundation is interested in communities that are committed to open, wide and diverse participation, focused around the library domain, and work to increase the value and options for libraries, particularly in technology and shared solutions.

Is a single point of contact sufficient? (For example, the chair of the conference committee?)

A single point of contact is sufficient.

Would it be acceptable for that point of contact to change annually?

This is acceptable if it is a well-regulated and understood process.

Does that point of contact need to be a formal member of your organization?

The Foundation model for membership, at this point, is that the community join the Foundation, not individuals. So, should we move forward, the Code4Lib Community would be a member community of the Foundation, would provide a governing charter that aligns with the goals of the Foundation, and that the Community participate in the activities of the Foundation.

What kind of control does your organization want/need to have, if any, over Code4Lib's processes?

We are interested in providing the structures and infrastructures to communities that support, further, and enhance the goals of the Foundation. We believe that member communities best understand the needs of their communities and how they should operate and resource their activities. The Foundation has interests in broadening participation in member communities. We anticipate that there are opportunities for cross-fertilization between our member communities where interests and capacity coincide. The Foundation may wish to participate in community governance to ensure coordination and communication among member communities, and to identify and leverage collaborative opportunities. The Foundation has obligations to provide shared collaborative infrastructure to our member communities, and expect that our member communities share and cooperate in the provision, management, and use of these resources. Beyond this, the Foundation does not seek to control the processes of our member organizations.

Would your organization need Code4Lib to follow your organization's bylaws, or to have our own?

We expect member communities to provide a governance structure that makes sense to its participants, that supports its goals, and is aligned with the Foundation goals for openness, innovation, responsibility, and effectiveness. This governance could take the form of bylaws, charter, or other governing document. The Foundation's interest is that the governance of a member community be clear and responsible for community activities so that we can understand how scope, obligations, and responsibility are managed by the community.

Would Code4Lib need to adopt your organization's code of conduct for its conferences, or may we continue to use our own?

The Foundation has a code of conduct, though it is based on the Code4Lib code. Again, as a member organization, we'd expect that the Code4Lib community would work within the Foundation to bring forward ideas embodied in your code to enrich the code of our other member communities. We believe that our member communities can learn from each other, and enhance our collective experience. The Foundation would not require Code4Lib to adopt the OLF Code. Nor would we expect that the Code4Lib community would withhold positive contributions to the collective OLF Community.

Would we have the option available to have conference in Canada, if a group there volunteered, or would that pose problems for your organization? Can you readily receive and disburse funds in Canadian dollars?

We are a global organization and have already held events in the US, Denmark, Australia, Germany, Italy, Mexico, and Chile. The Foundation can receive and disburse funds in foreign currencies.

Some of our attendees are international; will this pose any problems?

No

Do you have enough staff available to deal with bookkeeping, particularly during the registration rush and the post-conference invoice-paying period?

I would need to know more about the demands that you expect. The Foundation is staffed through volunteer contributions of effort. We have contracted services with accounting and banking operations, but I would need

to understand the scale and responsiveness expected. It is likely that the Foundation might accommodate temporary increased demand for a service with additional contracted effort.

In the worst case, do you have sufficient assets or insurance to absorb the complete failure of a Code4Lib conference?

The Foundation currently has no needs for this sort of reserve or insurance. As a functioning corporation, the Foundation can obtain insurance, as necessary, to cover risks on behalf of the community.

Do you currently act as a fiscal sponsor for a group that did not originate from within your own organization? May we contact them?

The Foundation was chartered in March of 2016, approved bylaws and sat a Board in October 2016, and began operations in January 2017. In that sense, all of our communities - FOLIO, GOKb, and OLE - originated outside the Foundation. I can provide you with contacts for those communities. We are closing negotiations with another long-standing and unaffiliated community, but I am unable to provide a contact at this time.

Have you acted in the past as a fiscal sponsor for a group or project that subsequently decided to leave your organization? If so, why did they leave?

We have not.

How would you manage giving Code4Lib conference organizers timely access to financial records for monies held by your organization on Code4Lib's behalf?

We provide monthly accounting to our member communities of the Foundation accounts and accounts held for the community. As Treasurer, I am available to all member communities to discuss, analyze, and act on financial issues.

Are there any significant incompatibilities between your mission and Code4Lib's?

I do not believe that there are significant incompatibilities between the OLF and Code4Lib. The Foundation stands to support, foster, and encourage open and collaborative engagement among library community organizations and actors to provide a forum for conversation and collective action. The Foundation, as a public charity, is obliged to serve educational interests of our member communities. We value diversity, open engagement and participation, and shared responsibility and risk. I believe that these are consistent with Code4Lib community ethics.

Are you able to readily collect funds in a variety of ways, such as check, bank transfer, PayPal, direct credit card payments, and so forth?

Yes

Appendix D — DuraSpace

Appendix D — Proposal by DuraSpace to act as fiscal sponsor

DuraSpace describes itself as follows:

> DuraSpace is a non-profit organization providing technical leadership, sustainability planning, fundraising, community development, marketing and communications, collaborations and strategic partnerships and administration to the DSpace, Fedora and VIVO projects.

DuraSpace has expressed interest in acting as a fiscal sponsor to Code4Lib. In July and August of 2017, the FCIG posed its questions to representatives of DuraSpace. In early September, FCIG members held a conference call with DuraSpace to discuss their response. Their final response to the initial questions follows.

What does your fee structure look like, for fiscal sponsorship of a group?

We've structured fiscal agreements in a variety of ways. For example, we have experience with flat fee, percentage of gross receipts, and hourly rate calculations plus transaction fee arrangements.

As mentioned by FCIG, if DuraSpace is selected as a fiscal sponsor, we would be responsible for filing taxes, handling funds, contract review, performing due diligence on those contracts and signing them. We recommend a flat annual fee of $7,000 USD. We will also recommend fiscal practices that ensure Code4Lib maintain a healthy fiscal reserve and purchase event insurance.

What would you need from Code4Lib, in terms of organization? What kind of governance, if any, would your organization need Code4Lib to have?

We would like to have identified leadership within the project community that is authorized to sign a Memorandum of Understanding (MOU), if needed and have authority to spend C4L money.

Is a single point of contact sufficient? (For example, the chair of the conference committee?)

If the conference committee chair is able to speak to or connect us with those responsible for the journal or other initiatives that require fiscal intervention we would consider a single point of contact. We typically work with a steering committee for sponsored or incubated projects.

Would it be acceptable for that point of contact to change annually?

Yes.

(If applicable) Does that point of contact need to be a formal member of your organization?

No.

What kind of control does your organization want/need to have, if any, over Code4Lib's processes?

We promote autonomy for our partners, projects, contracts, etc.

Would your organization need Code4Lib to follow your organization's bylaws, or to have our own?

C4L would be expected to report expenses and revenues adhering to GAAP practices and report revenue and expenses in the same fiscal year: http://duraspace.org/sites/duraspace.org/files/bylaws-may-2010-approved%20copy_0.pdf.

Would Code4Lib need to adopt your organization's code of conduct for its conferences, or may we continue to use our own?

DuraSpace does have a draft Code of Conduct, available here: https://docs.google.com/document/d/1HRisLUyIGZnQR52okP96_Tej6noiB4hy1NiCy1mlSd4/edit. It is based in part on the C4L code.

Affiliates can use their own Code of Conduct. For example Samvera and VIVO have their own Codes of Conducts.

Would we have the option available to have a conference in Canada, if a group there volunteered, or would that pose problems for your organization? Can you readily receive and disburse funds in Canadian dollars?

We have two staff members located in Canada. We can receive and disburse funds in CDN for payroll. However, when spending outside of the USA on events we are limited to two payment methods, wire transfer and check in USD. Lifting these limitations is something we can investigate with our bank if C4L is interested in pursuing fiscal sponsorship with DuraSpace.

Some of our attendees are international; will this pose any problems?

No, we aim to engage effectively with the global community. We can write sponsorship letters for attendees whose organizations require them and have a policy to return registration fees if someone is turned away at immigration.

Do you have enough staff available to deal with bookkeeping, particularly during the registration rush and the post-conference invoice-paying period?

At present, no. We would need to contract more time from our accountant and allocate portions of time from a few members of our executive leadership team in the pre and post-conference periods.

In the worst case, do you have sufficient assets or insurance to absorb the complete failure of a Code4Lib conference?

We have an obligation to the greater DuraSpace community to spend money, including reserves, on projects and contracts, as articulated in membership agreements, MOUs, and other formal agreements. Similarly, we will not use Code4Lib conference money for anything but related expenses as approved by the Code4Lib community.

However, we are capable of obtaining event insurance to protect against the failure of a conference against natural disasters and other insurable occurrences. We have a good network of insurers who can help us find a good option to mitigate risk. In many cases, venue costs and contracts pose the most risk. We would expect Code4Lib to build a reserve (within 5 years) to cover a minimum of half of the total accommodation costs for

an event (approximately $75,000) to mitigate the risk of an uninsurable occurrence (e.g. circumstances that may lead to changing location and losing a deposit/ breaking terms).

Do you currently act as a fiscal sponsor for a group that did not originate from within your own organization? May we contact them?

The Samvera project is an affiliate project. The steering committee consists of DuraSpace's Debra Hanken Kurtz, Hull University's Richard Green & Chris Awre, Stanford University's Tom Cramer (signing authority), University of Virginia's Robin Ruggaber. We can make introductions for contact as you wish.

The VIVO project went from incubated project to full project recently. Mike Conlon is the contact for VIVO. We can make an introductions for contact as you wish.

PASIG is an affiliate group. Art Pasquinelli and Tom Cramer are the contacts. We can make introductions for contact as you wish.

Have you acted in the past as a fiscal sponsor for a group or project that subsequently decided to leave your organization? If so, why did they leave?

Not in the recent past, no.

How would you manage giving Code4Lib conference organizers timely access to financial records for monies held by your organization on Code4Lib's behalf?

There would be regular reporting based on the conference registration system as well as monthly financial reporting.

Are there any significant incompatibilities between your mission and Code4Lib's?

We feel our mission aligns well with that of Code4Lib.

DuraSpace is committed to providing leadership and innovation in the development and deployment of open technologies that promote durable, persistent access to digital data. We collaborate with academic, scientific, cultural, and technology communities in creating practical solutions to help ensure that current and future generations have access to our collective digital heritage. Our values are expressed in our organizational byline, "open technologies for durable digital content."

We promote the autonomy for our partners. We will strive to support the decisions of our affiliates (both fiscal and ethical) as much as possible, within the parameters of our own organization's legal and fiscal responsibility.

Are you able to readily collect funds in a variety of ways, such as check, bank transfer, PayPal, direct credit card payments, and so forth?

Yes. All of the above mentioned payment options are accepted by DuraSpace.