

Governance Recommendations

[Recommendations](#)

[Rationale](#)

[Governance Evaluation](#)

[New Non-profit Organization](#)

[Subsidiary Organization](#)

[No New Organization](#)

[Required Resources](#)

[Budget for Phases 1-3](#)

[Other Organizations for comparison](#)

[DataCite](#)

[ORCID](#)

[Crossref](#)

[DOAJ](#)

[Ithaka](#)

[ISNI-IA](#)

[SPARC](#)

[CLOCKSS](#)

[COUNTER](#)

[Appendix: Initial Remit Questions](#)

Governance Breakout Group: Patricia Cruse, Mike Frame, Laure Haak, Paul Peters, Ed Pentz (Chair), Simeon Warner

The long term aim is to provide a functional, open, independent ORG ID Registry. The initial aim is to begin Phase 1 in early 2018. The primary objective of the ORG ID Registry is to address the main use case of researcher affiliation. The plan for the Registry will include a structure that allows further development and enhancement of the Registry to address other use cases.

Important and overlapping issues that will bring success to the ORG ID Registry are 1) **trust in the governance and sustainability** of the initiative 2) **operational efficiency** and 3) **data quality**. The premise is that effective governance enables efficient operation of the Registry and that it will continue to serve the stakeholder community.

Recommendations

1. Adopt a hosted non-profit model so that there is independent governance for the Registry and no new organization in the initial launch phase, but with a possible path towards a new organization at a later stage of development. This means that an existing organization acts as a host for the new Registry under the auspices of a governing board for its initial phase during which time a decision is made about whether to establish the Registry as an independent legal entity. After the initial phase, the Registry can continue to contract resources from the host or plan a path to greater operational independence.
2. That the WG identify existing organizations that would be willing to act as a host for the Registry and contract with the Registry governance body to provide services.
3. That the WG identify existing organizations that would be willing to commit resources for phase 1. This includes donations, grants, loans, in kind donations (staff) and secondment of staff.
4. The new Registry organization should be non-profit, non-stock, transparent, well regulated, include a broad set of stakeholders in governance, and have protections in place for assets to go to another non-profit with similar mission if the organization wound up.
5. The host organization should be non-profit, non-stock, transparent, well regulated, sustainable and have protections in place for assets to go to another non-profit with a similar mission if the organization is wound up.
6. All software developed to run and support the Registry should be Open Source.

Rationale

The Governance Breakout Group thinks that the “hosted non-profit startup” model is the best option for an independent Organization Identifier Registry.

There are tradeoffs between creating a new, independent organization and having an existing organization run the Registry. Setting up a new organization is a way to ensure independence, focus, and appropriate stakeholder representation. It is also a way of managing risk and legal liability - an existing organization may not want to take on the risk of a new service and may worry that it would divert focus and resources from existing projects and services. However, creating yet another new organization that will be asking stakeholders in the research community for startup funding has its problems too. With either model, there will be membership and/or service fees to pay for ongoing operations.

There are several examples of successful hosted nonprofit startups in the research infrastructure space (outlined in “Other Organizations” section), which have had committed founders - individuals and organizations - and dedicated staff resources and funding. The organizations are incorporated in different ways in different countries but the most common form

is a US 501(c)3 tax exempt organization. It's interesting to note that many of the independent organizations had significant support from founding organizations and were hosted by existing organizations either for an initial start up phase or on a more permanent basis. In addition, other existing organizations provided donations, loans, in kind donations and staff secondment.

Governance Evaluation

The decision about whether to start up new organization or not isn't binary, but rather a spectrum of options which are outlined below. An independent Registry will require dedicated resources and staff, whether these are provided via a new organization or from an existing organization. The organization can contract and partner for operational support and can use existing data sources for the Registry rather than creating something from scratch.

Thought should be given to managing liability and financial risk of a new endeavor -- i.e., who takes responsibility? Key considerations for the organization structure are who governs the organization and who sets the mission, develops and prioritizes strategies, and oversees development and operations? How does it raise funds and generate revenue and what happens to the assets of organization if it ceases operations or is wound up?

Finally, we should acknowledge concern expressed by scholarly publishers and others in the community about the number of organizations providing infrastructure and identifier services (ORCID, Crossref, CHORUS, COUNTER, CLOCKSS, DataCite, Portico) and some level of resistance to funding and joining yet another organization.

New Non-profit Organization

Form a new non-profit organization. There are different types of non-profits. In the US, the standard non-profit is a 501(c)3 tax-exempt charitable organization, a 501(c)6 non-profit is a trade association, and there are also [Benefit Corporations](#). In the UK there are [Community Interest Companies](#) and [companies Limited by Guarantee](#) (meaning there is no share - this is used for associations). DOAJ is a Community Interest Company in the UK (see below). EU countries all have forms of non-profit entities. For example, The Netherlands has [ANBIs - institutions for public benefit](#).

Some key legal requirements for the Registry are) for it (1) to be non-profit with no shares or dividends; and (2) to have transparent, community governance subject to regulations that assure assets can't be sold or transferred to a for-profit entity. Tax exemption (a separate issue from being non-profit) is useful but not an absolute requirement although 501(c)3 tax exempt status has the fairly stringent transparency and transfer requirements stipulating non-profit majority Board representation and membership, and providing restrictions on the sale or transfer of any assets that mean a commercial takeover or sale isn't possible.

There are variations within this model to address the issue of efficiencies:

Full new organization - has its own Board, staff, operations and raises its own funds and charges membership and service fees.

- Pros: has the most independence, can raise funding and receive grants directly, can move more quickly.
- Cons: has highest costs of different options so fundraising more difficult (competing with other organizations), has a large fixed cost base, longer to reach sustainability. It is also more difficult for a new organization to apply for and receive funding due to accounting and audit requirements of funders.

Hosted non-profit leading to a new organization - has its own Board but contracts or partners with one or more existing organizations (a host organization) to provide operations and financial support. Crossref, ORCID and DataCite all used versions of this approach - a new organization was created but relied on in kind support from founders acting as hosts for an initial phase.

- Pros: independent Board, can raise funding and receive grants, start up costs lower (no separate payroll, finance/accounting), flexibility to expand later and hire staff directly or hire certain positions and contract others.
- Cons: need to have high level of communication and trust between host and new organization.

Examples of this type of partnership:

- CLOCKSS partner with Stanford Library and LOCKSS (which is hosted at Stanford) for technical and administrative support.
- ISBN International is hosted at EDItEUR, a standards organization that is a UK company limited by guarantee.
- SPARC, which is hosted by and receives operational and fiscal support from the New Venture Fund. Such [fiscal sponsorship](#) is an interesting concept under US 501c3 regulations: A new project/service doesn't have tax exempt status but can be independent and get donations and grants via an existing 501(c)3.

Subsidiary Organization

An existing organization can set up a subsidiary. For example, a 501(c)6 could set up a 501(c)3, or a 501(c)3 could set up a commercial arm.

- Pros: Fairly easy to set up a legal subsidiary
- Cons: A subsidiary may not have sufficient independence to establish trust (since the parent could have control over the subsidiary or could terminate it and take over) and there are no real cost savings compared to setting up a new organization and contracting out for operations.

No New Organization

Creating a new organization has the most costs and overheads but addresses issues of independence, trust, and legal liability. However, serious consideration should be given to not creating a new organization and how this might work.

- Pros: Reduced start up costs, community trust in existing provider
- Cons: Potentially mixed vision/mission, lack of independence, questions about stakeholder representation

Existing organization - an existing organization could take on running an open, independent Registry as part of, or alongside, its existing operations. There are a number of organizations who might be able to do this but, of course, they have to be willing to do so and there would be issues of trust, independence, and control to address.

Modified existing organization - A way to address the issues of trust, independence and control without creating a new organization could include three elements:

1. **Advisory board:** this group would provide governance and oversight and authorize agreements with the host and data provider organizations; representation would be similar to the current Working Group although could include individuals (as with ORCID Board). Publishers have sponsored a number of initiatives in this space, and for the venture to be successful there needs to be strong and early research institution and funder buy in.
2. **Data provider(s):** an existing set of organization identifier record data available as Open Data should be used to seed the Registry.
3. **Host:** this organization would provide support via payroll, benefits, marketing and communications; product management; technical support and the “plumbing”, such as APIs. An interface for enabling the community or organizations to manage updates and linking with other identifiers (the new ORG ID would be used to group other IDs for the same organization).

Required Resources

The costs related to developing an ORG ID Registry assume that the hosted non-profit model is used which will keep administrative and legal costs lower in the first two of phases of development. The costs are divided into three overlapping phases: Phase 1, Start-up; Phase 2, Launch; and Phase 3, Production. A three-phased approach will allow for the best use of resources while building a robust and trustworthy service that will satisfy the needs of ORG ID stakeholder community.

1. Phase 1: Start-up, 0-6 months

The Start-up Phase is the beginning of the project and will leverage and implement the significant work from the ORG ID Working Group and the three Breakout Groups in addition to support from a host organization and in kind donations from founding organizations. The Start-up Phase will begin to put in place the governance structure, the business model, the technical infrastructure, and begin developing the ORG ID Registry. Of course, the first critical step is hiring the Managing Director/Project Lead. Resources for this Phase are:

- a. **Managing Director/Project Lead.** Responsibilities: develop a business model (based on the work of the Business Working Group) that plans for Registry long-term sustainability; pursue funding opportunities to support the initial development phases; establish financial practices that provide the means to monitor funds; develop policies aligned with core principles that will ensure the effective use and growth of the Registry; implement a governance structure based on output of the Governance Working Group; develop communications, engage with stakeholders, and establish legal components (privacy, fees) of business model.
- b. **Technical Lead.** Responsibilities: begin furthering the design and implementation (data model, authentication, etc) of the Registry based on the work of the Product Working Group; begin development of a technical infrastructure that can support the growth of the project from start-up, to launch, to production; establish development processes, practices, and guide tool use; provide outreach to the community on technical aspects of the Registry.
- c. **Technical Contracting:** Backend and frontend development resources to be managed by the Technical Lead. Frontend responsibilities: Developing web services (APIs) and web user interface for Registry; working with Data Support to develop record curation processes. Backend responsibilities: hosting environment, server architecture, database setup and management.
- d. **Data Support 1:** Responsibilities: developing and documenting record curation processes, updating the dataset with new records, correcting and updating existing records based on issues reported via users and requests from the organizations themselves.
- e. **Data/User Support 2:** Responsibilities: record curation, updating the dataset with new records, correcting and updating existing records based on issues reported via users and requests from the organizations themselves.

Phase 2: Launch, 6-12 months

The Launch Phase will focus on implementing and hardening the technical and social infrastructure which will support a production level Registry (deploy a help-desk, add a support center, deploy a public facing roadmap, establish a billing structure as necessary, test and launch UI, etc). All of the above positions will continue at a steady state and the following position will be added to the team.

- f. **Analyst:** Responsibilities: under the direction of the technical lead to analyze the data that will form the foundation of ORG ID Registry, including schema crosswalks, data definitions, content review, and the eventual development of a schema for ORG ID Registry.
- g. **Administrative Manager:** Responsibilities: track revenue and expenditures, provide support for governance structure, manage payroll.

Phase 3: Production, year 2

The Production Phase finds a fully operational ORG ID Registry as well as an engaged stakeholder community, well-understood business and financial plans for reaching sustainability, and a transparent governance structure. Production state also provides the means to scale the service and add enhancements. The above positions will be retained (except the UI Developer) and the following positions will be added to the ORG ID team:

- h. **Marketing/Comms Lead:** Responsibilities: work with the Managing Director to understand communities which will sustain ORG ID and develop a marketing plan to reach those communities; develop a communication plan that includes clear messaging for each stakeholder group; identify and develop channels (twitter, website, github, etc) to reach those groups; work with the Technical Lead to develop user support features.

Budget for Phases 1-3

	Start-up (0-6 mo)	Launch (6-12 mo)	Production
Staffing			
1. Managing Director	\$75,000	\$75,000	\$150,000
2. Technical Lead (Director)	\$67,500	\$67,500	\$135,000
3. Marketing/Comms Lead	\$0	\$0	\$90,000
4. Analyst / Developer	\$0	\$35,000	\$70,000
5. Technical contracting (Frontend/Backend/UI)	\$50,000	\$50,000	\$40,000
7. Data Support I	\$25,000	\$25,000	\$50,000
8. Data/User Support 2	\$25,000	\$25,000	\$50,000
10. Administrative Manager	\$0	\$32,500	\$65,000
Total Salaries	\$242,500	\$310,000	\$650,000
Benefits @ 30%	\$72,750	\$93,000	\$195,000
Total Staff Costs	\$315,250	\$403,000	\$845,000

Other Costs			
Travel	\$10,000	\$15,000	\$20,000
Community Meetings	\$0	\$10,000	\$20,000
Technical Infrastructure (hosting and hardware)	\$10,000	\$10,000	\$20,000
Administrative Costs (payroll, software, computers, etc.)	\$10,000	\$10,000	\$30,000
Design Fees		\$20,000	\$20,000
Legal Fees	\$10,000	\$20,000	\$20,000
Total ORG ID Registry Costs	\$355,250	\$488,000	\$975,000

[See spreadsheet](#)

Other Organizations for comparison

DataCite

DataCite was founded in 2009 and is registered German non-profit. It provides DOIs for data with the goal of making data findable, shareable, and citable. It is a membership organization with 58 members. Each DataCite member acts as a service provider for over 1300 constituent data centers. Its global community of members, from more than 24 countries, includes data centres, libraries, government agencies, research universities and more. DataCite’s members work with data centers, stewards, libraries, archives, universities, publishers and research institutes who have responsibility for managing, holding, curating and archiving data.

DataCite’s operational services are funded by annual membership fees. It is currently growing its membership and hardening its services to meet the growing demand for DOIs for data. New initiatives and development are primarily funded by grant funding from the European Commission and the Sloan Foundation. DataCite is committed to open source and collaboration with partners from around the world.

Since its founding, DataCite has been loosely associated with the German National Library of Science and Technology (TIB). Currently, DataCite is managed by 4.5 FTEs. DataCite is governed by its statutes and activities are overseen by an Executive Board elected by DataCite’s membership. DataCite members are the voting body of the organisation; membership is open to all organisations that support its data sharing mission. At its founding, DataCite’s resources were augmented by staff from The British Library and by administrative support and space from TIB. DataCite maintains a physical office in Germany but operates as a virtual office with staff in Spain, United States, and Germany.

ORCID

ORCID was incorporated in 2010 as a 501(c)3 non-profit organization. It is a membership organization, with over 700 organizational members in over 40 countries (including >15 national consortia) including all sectors of the research community. We issue identifiers for individuals, and work with the community to make connections between ORCID iDs and identifiers for affiliations and contributions. We actively promote use of DOIs (and use them for our own resources as a DataCite member) and work with our members to ensure each has an organization ID (Ringgold), which they use as part of their member API credentials. We've also integrated FundRef into ORCID Registry services.

ORCID is managed by a full-time professional staff, and is overseen by a Board elected from our membership. ORCID received US\$2.1m in start-up loans from publishers and associations in 2011-2013, and is on track to repay these loans by 2023. The Board managed the organization through active working groups until 2012, when it hired an executive director. In the following 7 months, ORCID added a technical director, user support, and lead developer and launched the ORCID Registry. All development was moved in-house shortly after launch. ORCID maintains a virtual office, and with bridge grants has been able to grow to 28 full-time staff split between employees and contractors.

Crossref

[Crossref](#) - founded in 2000 and is a 501(c)6 (trade association) tax exempt non-profit. 16 member board elected by the members based on a slate proposed by a Nominating Committee. There are over 7,500 members globally. Crossref received \$2.1 million in start up loans from 15 scholarly publishers in three phases from 2000-2002. Capital and interest (US prime plus 1%) paid back in 2007. First surplus was in 2003. 70% of revenue is from content registration fees, 20% from membership fees and 10% from metadata delivery services provided to non-members - mainly aggregators, A&I databases, reference management software providers in the scholarly space. Currently 32 staff with \$7.8 million in revenue and \$7.6 million in expenses. Executive Director was the first employee and staff grew slowly at first (there were 10 in 2007). For the first 18 months after founding Crossref contracted with Harcourt Brace (one of the founding publishers) for office space and payroll, benefits and HR services. Wiley (one of the founding publishers) provided technical support - hosting and software development - at no charge (in kind) for the first 10 months (through October 2000).

DOAJ

[DOAJ](#) - Launched as a project in 2003 at Lund University with a from the Open Society Foundation.

Sustainability based on membership - academic libraries (£450/year - no extra services - 200 libraries, consortia discounts so 400-500 libraries provide 50% of income. Sponsors - publishers and aggregators paying £2,000-£20,000. Paying members get no different service so doing it to be supportive. Income - £300,000 in 2016 and generated a small surplus.

There are 8 paid staff, all but two of which are part-time so 4 FTE with lots of volunteers. They use Cottage Labs for IT hosting and technical development.

Governance - since 2013 DOAJ has been run by Infrastructure Services for Open Access, Inc. a [Community Interest Corporation](#) in the UK. Community Interest Company in the UK (CIC). CIC has to have a community interest statement and a plan for what will happen with winding down and assets. DOAJ assets would go to SPARC Europe. Organization is controlled by the three founders (Lars Bjørnshauge, Caroline Sutton and Alma Swan but it is limited by guarantee, non-profit and has no shares. There is an Advisory Board of 10-12 people representing stakeholders but it is not very active. Lars has been the force behind DOAJ and making it successful.

Ithaka

[Ithaka](#) - US 501(c)3 not-for-profit that runs JSTOR, Portico, Artstor and consulting division. Business model varies across the services - membership, service fees. JSTOR was founded in 1994 and in 1994 and 1995 received \$3.7 million in start up grants from the Mellon Foundation and from 1996-1999 received a further \$6.7 million in grants from Mellon. In 2004 and 2005 Ithaka received \$3.1 million in Mellon grants to start Portico. In addition to the above grants, Ithaka also received about \$40 million in grants from 2002 -2015.

ISNI-IA

[ISNI-IA](#) - The ISNI International Agency (ISNI-IA) governs the assignment and registration of ISNI identifiers (ISNIs) globally and formulates policies and practices to support ISNI and promote its widespread adoption. ISNI-IA operates on behalf of, and by agreement with ISO.

ISNI-IA is a non-profit, limited company registered in the UK but with a varied and international membership. Its turnover in 2017 is approximately €140k - almost all from membership fees but there is a small and growing revenue from per ISNI created transaction fees - and its operating budget for the year aims for a break-even on current income/expenditure.

There are three membership categories, all of which are organizational:

- Founding Members (6), who also serve as Board members of ISNI-IA
- Registration Agencies (14, of which 2 are also Founding Members)
- Members (19).

There are two part-time EDItEUR employees (0.5 FTE) providing Executive Director and administrative services. Board Members (unpaid by ISNI-IA) do a great deal of essentially pro bono work as part of their organizations' commitment to ISNI. A significant amount of work supporting ISNI is also carried out within three specific member organizations:

- The British Library and the Bibliothèque nationale de France jointly staff and support ISNI's Quality Team, as well as carrying out a great deal of advocacy on ISNI's behalf.
- OCLC maintains the ISNI database and technical structure – thus acting under contract as the 'ISNI Assignment Agency'. These functions are supported by the hosting and set-up charges.

SPARC

[SPARC](#) - started out as a project at ARL and three years ago moved to the [New Venture Fund](#) that is a 501(c)3 fiscal sponsor for public interest projects. SPARC moved out of ARL partly based on the need to lobby and engage in policy work. NVF just provide support and are not involved in SPARC's work or governance. There is a 15 member Steering Committee.

SPARC collects its own membership dues and gets grant funding for specific project. They have income of \$1.5 million in membership dues. Grant funding varies - it has been up to \$1.5 million in some years. There are 7 staff and 6 full time contractors (working on funded projects).

CLOCKSS

[CLOCKSS](#) - 501(c)3, has own board, minimal staff. Contracts services from LOCKSS (Stanford Library). Annual membership (tiered) plus per-item usage fee plus setup fee. \$1.2 million in revenue and \$1 million in expenses per year (as of 2015).

COUNTER

[COUNTER](#) - a company limited by guarantee in the UK. 1 FTE. Expenses under £100k/year. Membership revenue is about £100,000/year.

Appendix: Initial Remit Questions

1. *What are the characteristics of a non-profit Registry? What will qualify this effort for non-profit status?*
 - Non-profit, non-stock, transparent, well regulated, sustainable and have protections in place for assets to go to another non-profit with a similar mission if the organization is wound up.
2. *How should data in the Registry be governed?*
 - Independent, non-profit Registry overseen by a governing board (and in a later phase may become a new organization) will govern the data. The use of an Open Data license is insurance because it can be forked and taken over by a new organization if necessary.
3. *What rights (data/oversight/notification/record management) do organizations represented in the Registry have?*
 - The right to request that their record be corrected or updated and the option to self-manage their record according to rules and guidelines established by the board of the Registry.
4. *What responsibilities does the new Registry have with respect to current stakeholders?*
 - To operate in an open, fair and transparent manner.
5. *Should a separate organization be created to govern the Registry? If not, what are the desired characteristics of a host organization and what governance elements should it adopt?*
 - These questions are answered in the recommendations - that there is separate governance on the “hosted non-profit” model with a path to a new organization after the initial phase.
6. *What existing organizations and governance models can we learn from?*
 - Outlined in the document in the “Other Organizations” section.
7. *What kind of protections do we need to put in place to maintain resilience of the organization in the face of political (or legal) disputes?*
 - An well-governed independent organization with a sustainable model and support from existing organizations will be resilient.
8. *Will there be instances where we need to “make private” entries in the Registry?*
 - In the initial, startup phase, no.