Background Research into a Koha Foundation

Sustainability

We want to look towards the long term sustainability of Koha. This includes our ability to attract new developers, libraries (and librarians) and other contributors. It also includes fostering a dynamic and inclusive community where we can share ideas and motivate each other to keep moving forward. Also, to provide a long term home for assets and resources that belong to our community. A safe harbour to ensure that these resources and knowledge are available for future generations of libraries.

Koha is a mature, very large project and represents 177 years of collective work (hours) of development time (https://openhub.net/p/koha). First of all we think everyone should stand up and celebrate that fact - this project is Awesome! One of the big advantages of putting Koha into a foundation is that we can start to have a more formalised governance structure - which will improve our communication and our development processes.

Background

At the 2024 Koha Hackfest in Marseille (10th April 2024) the topic of The Future of the Koha Community and the possibility of a Koha Foundation were discussed. It was widely acknowledged that there are problems facing the Koha community right now, including:-

- Lack of governance
- Lack of investment (both time and money)
- Poor communication
- Lack of new contributors
- Lack of responsibility for community assets (e.g. web sites, wikis etc.)
- Undefined workflows

Brendan Gallagher and Jonathan Field have been doing some work looking at the foundations that are available (and would be possible) for Koha to join. By moving Koha into a foundation we could apply some governance and structure as well as attract funding from support vendors, libraries and external bodies.

Potential Benefits

There are many benefits of moving the Koha project to a foundation, including:-

- A safe harbour for Koha intellectual property

- A bank account where we can receive money from people who would like to support Koha financially but don't know how to right now
- It would create structure. How complex we make this would be down to us as a community
- A body to organise and fund KohaCon.
- Opportunities for larger funding from other trusts, organisations (e.g. Mozilla foundation)
- Better community funding of professionals who can work on behalf of our community
- Centrally fund and host more modern infrastructure
- Improve the marketing of the community

Background Research

As part of our research, we looked at a number of existing foundations.

Software Freedom Conservancy - https://sfconservancy.org/

Conservancy is a 501(c)(3) charity incorporated in New York. Conservancy is primarily supported by charitable donations. Conservancy stands up for users' software freedom via its copyleft compliance work. It was SFC who filed a third-party beneficiary contract lawsuit against Vizio.

Conservancy's goal is to handle all the parts of advocacy, leadership, organisation and coordination other than actual development of the software and documentation. All projects have to go to the Evaluation Committee before being accepted. Conservancy receives an overwhelming level of interest and has very few staff positions to meet the interest and demand for Conservancy's services to its member projects.

Services

SFC will accept donations and hold funds on behalf of associated projects. Conservancy can also hold any asset for the project on its behalf. This includes copyrights, trademarks, domain names, physical computer equipment or anything that should be officially held in the name of the project.

Projects sometimes need to negotiate and execute a contract with a company. For example, when a project wants to organise and run a conference. Conservancy assists projects in the negotiation of such contracts, and can sign them on behalf of the project.

Conservancy can provide logistical support for conferences, particularly in the area of financial responsibility and liability. They also provide basic legal services to its member projects through Conservancy's own General Counsel, outside counsel, and pro-bono attorneys. They can also provide Fund-raising assistance.

- Good range of [services](#)
- Can leave with a few months notice
- Prevents developers from having to comingle project funds with their own personal accounts or having to set up their own project specific account
- Total assets of over $7m
- Work they are doing on open source more broadly
- Conservancy favours projects that are well-established and have some track record of substantial contributions from a community of volunteer developers. Furthermore, Conservancy does give higher priority to projects that have an established user base and interest, but also tries to accept some smaller projects with strong potential

Weaknesses

- Might take a long time to join. By their own admission, they say they don't have many staff and applications can take a long time
- New Conservancy members are required to pay 10% of their revenue that Conservancy processes to Conservancy's general fund, which primarily is used to pay staff
- SFC holds funds on behalf of associated projects. Donations have to be "allocated" with donor restrictions to be directed at a specific fund
- Website hard to navigate. Very little signposting to actually joining
- Contracts have to go via SFC
- Could take a long time to be accepted

Software in the Public Interest (SPI) - https://www.spi-inc.org/

There are 42 free and open source projects currently associated with SPI. They are a 501(c)(3). Most SPI associated projects are unincorporated associations of individuals.

In the past, Craigslist Charitable Fund and Google provided substantial donations to SPI's general fund. It has a Board of Directors which includes four officers in the roles of President, Vice President, Secretary, and Treasurer. It includes projects such as Debian.

These projects use SPI for:
- Accepting donations
- Holding substantial assets
- Holding domain names
- Holding trademarks

Services & Fees

SPI will accept donations and hold funds on behalf of associated projects (Note: Reimbursements for legitimate project expenses will be made from funds earmarked for an associated project with the approval of the project liaison).

SPI is able to pay for various project expenses using funds which have been earmarked for that project.

If a project needs to enter into a contract, they reach out to SPI to have the contract reviewed and then signed by an SPI officer. Project liaisons and members are NOT authorised to enter into contracts on behalf of SPI.

New Conservancy members are required to pay 10% of their revenue that Conservancy processes to Conservancy's general fund, which primarily is used to pay staff to run the foundation.

Strengths

- Range of services including accepting donations
- Some high profile projects like Debian
- SPI does not own, govern or control an associated project
- Freedom to leave at any time

Weaknesses

- Donations of money are made direct to SPI. They can be marked as for "Project x" but, if not, are allocated as seen fit
- Each project needs an SPI liaison officer who works with SPI on decisions. That includes ensuring funds in and out of your project are handled correctly
- SPI hold funds on behalf of associated projects rather than in the projects own bank account
- If a project needs to enter into a contract, they need to reach out to SPI to have the contract reviewed and then signed by an SPI officer
- Project liaisons and project members do NOT have authority to enter SPI into contracts

Open Library Foundation - https://openlibraryfoundation.org/

OpenLibrary Foundation (OLF) is a US 501(c) (3) non-profit. There are two types of membership

1) A basic level (Affiliated) with no real governance (this is more for ideas, startups etc.)
2) Fully incorporated (Single Member Limited Liability Corporation) SMLLC - legal haven for banking / officer insurance (D&O (Director and Officer) insurance) etc. All the benefits are up to date on the [web site](.).

The Koha project is definitely big enough to be an SMLLC. The OLF aims to be hands off and the Project is self governing. It's like a limited liability company inside of the foundation. You need to create your own Governance (as simple or complicated as you want to make it!).

The decision to accept a project is made by the OLF Executive committee who might, in exceptional circumstances, consult the board. However, it would have to be exceptional circumstances to be refused.

They accept projects under a number of open source licences and both VuFind and OpenRS are GPL.

As a project you can join WOLFCon if you wish but, of course, run separate events as well. This means we could still run KohaCon but WOLFCon would be funded by OLF and we could participate in whatever way we saw appropriate.

They were very clear in saying there is a "firewall" between the OLF and the projects. This means OLF can't directly get involved with you as a project. You can also take your project and walk away to another foundation if you find you are unhappy with OLF.

There is a "Projects Roundtable'' who have a representative from each of the projects under OLF and who also vote for one of their number to represent the projects on the OLF board.

Services & Fees

- Annual Fee: $1,000 to belong to OLF
- LEGAL & SMLLC - Y1 Set up – $2,500; Annual – $2,000
  - Foundation setup of Project 501c3
  - Legal safe harbour of Project IP
  - Access to reputable non-profit legal firm for quotes for services
- BANKING / ACCOUNTING - Y1 Set up – $2,500; Annual – $1,000
  - Dedicated banking accounts with PNC Bank
  - Professional accountancy
  - Invoicing and Bill Payment mechanisms
  - Yearly financial audit and tax preparation
- DOMAIN/WEBSITE SUPPORT - $100 Annual
- COMMUNICATION - Annual – $250
  - Zoom
  - Google Suite/Google Storage
  - Listserv
- TECHNICAL - Based on usage
  - Amazon Web Services – Setup and support
  - TestRails – Setup and support

The services work on an "a la carte" basis, you take what you want/need.

Strengths

- Sector specific (it's for libraries!) and high profile
- Can be part of WOLFCon as well as having KohaCon
- Good selection of member benefits (Google Workspace, AWS, Testrails, Legal services etc.)
- Very cheap ($5k / year plus startup costs)
- Projects are "firewalled" off into (Single Member Limited Liability Corporation) SMLLC
- Own governance / banking etc.

- Can house projects with multiple licence types (e.g. GPL, Apache 2.x) licence
  - Common cause - shared strands for library associated themes like open access, discovery APIs that could benefit all projects
  - Participate on OLF committees (if you want to)
  - Can engage in our own contractual agreements (to sign contracts with developers, or venues)
  - Freedom to leave at any time

Weaknesses

  - Quite academic focused right now

Case Study

Vufind

We spoke with Demian Katz (the original author of VuFind). He told us that the OLF is a lightweight organisation and there are no heavy requirements you have to fulfil in order to belong to it.

OLF gives you a bank account. Your SMLLC can have the most basic of structure, a chair, secretary and treasurer (3 officers). After that, you decide the structure. You can make it as simple or as complex as you require.

It allowed the Vufind project to create its "registered provider" programme. This has seen more money flow into the project.

It took 2 years to get in formally. However, this was mainly because it was fairly early on in the life of OLF and there were no template documents to use. If Koha were to join, we could use the governance put together by Vufind, see https://github.com/vufind-org/vufind/blob/dev/GOVERNANCE.md as a template.

Demian also recommended, It Takes a Village (ITAV). This web site is all about governance and growth in open source projects. It gives you toolkits (that VuFind used) to help structure what you need. The VuFind project had small concerns about EBSCO's involvement in OLF but, in reality, haven't felt threatened by them at all. It's important to note that EBSCO (or any other third party) cannot dictate, or become involved in, your SMLCC.

Demian told us that the VuFind project now has a higher profile than it had previously and is better funded. It helped them sitting alongside projects like FOLIO and he commented that it would be great if Koha joined (given the long and close Vufind/Koha associations).

They still have a lack of development input but joining OLF has given them a bigger pool to draw from. So, they have seen a benefit in terms of the developer resource and overall contributions.

Proposal

From the research we have undertaken we would like to propose that the Koha Project joins the Open Library Foundation (OLF). It is clear that the OLF is good as a not-for-Profit (NFP) container. It was really well thought out when it was initiated.

OLF will almost certainly be the cheapest option, both to join and get the project started up but also in terms of the longer term fees for belonging.

It would allow us to become our own legal entity and be quick to join and get established. As part of that we would also become a "community of library communities". That is an open source library community working alongside other open source library projects with similar goals and directions. WOLFCon could act as an "umbrella" conference to discuss matters of shared interest (e.g. open access e-resources, AI etc.)

The OLF is a high profile foundation and is well respected in the library profession. As an organisation in itself, the benefits that come to us will only grow if OLF grows. There is therefore an incentive for us to make it grow and succeed.

As part of OLF there are lots of add-on services if we want to use them alongside the possibility of reaching out to larger funding both individually as our own project and collectively as part of OLF.

Although there is an academic bias right now in OLF, they see one of the big benefits of Koha joining to be reaching a broader range of libraries both in terms of library type but also geography.

VuFind has seen their profile grow (as well as their funding) and, for them, it has been a success story.

Governance

Assuming the Koha project were to join a new foundation, we would propose a five-member member board to start the foundation. This would include the legally required officers to look after the foundation - a Manager, Treasurer, and Secretary. In addition to this, two other volunteers. We also propose an Organisational Committee of volunteers that would work together to create structure, code of conduct and bylaws while working closely with all stakeholders in the Koha community.

During research we discovered a number of open source governance models. Some were very structured in their governance and some had very little governance. Our proposal would be, in the first instance, to keep the governance light. For a small team to try and understand how much governance we need as a project. To put this into context, for example, they might deem

that a QA committee was appropriate but that many special interest groups were over-governance. This would at least give us a framework for the first few years as we find our feet and get a better indication on what leadership the Koha project requires. This team would also be responsible for gathering all the existing community assets under one roof. This would mean we could get set-up quickly and start shaping our community quickly.

Funding

We need Koha to be a successful and well funded project. The open source economy had a value of €46b last year (2023). "90% of companies use open source software" (2021 State of Open report, OpenUK). "FOSS contributes 70-90% of any given piece of modern software solutions" (The Linux Foundation). So, open source is important! Koha is important! Investment in open source projects only helps to grow this vital part of the tech economy. There is strong evidence that projects are better supported when held in a foundation. This can happen in a number of ways. Some big organisations already pass money to software foundations for onward distribution to other projects. Individuals prefer to donate directly to a project or through a recognised funding platform. At the moment, neither of these methods are available to the Koha community and we are therefore not collecting this revenue. Interestingly, individuals are currently out-performing company FOSS funds (and are also more resilient to economic downturn) so we shouldn't underestimate how important this particular revenue stream is. There is also the possibility of grants from scientific, government or philanthropic organisations. There is no one-size-fits-all approach to open source funding but, by becoming a foundation, we immediately open ourselves up to opportunities that were just not there before.

Thank you all for reading this far!

TODO - Newsletter post

At the Koha Community Hackfest held in Marseille, France on 8th - 12th April 2024 community members once again raised the topic of governance and sustainability of Koha. Prior to that meeting Brendan Gallagher and Jonathan Field had done some background work to look into the prospect of putting the Koha project into a foundation. Although this is something that members of the community have explored previously, the feeling is now that the landscape has changed and it's a good time to revisit this topic. As a result of this meeting we hope to publish a proposal and poll to the wider Koha community in the coming weeks, watch this space!