

BRIEF to Steering Committee - Trust over IP

Revenue Model - Options (Feb 19, 2021)

Summary

Trust over IP has stable and sufficient funding to support its operations.

Increasing revenue would make it possible to support more targeted activities, issue contracts for strategic services and possibly expand its program office.

Budget - 2021 Fiscal

Trust over IP has a healthy operating budget for 2021, which includes a surplus carried forward from 2020.

REMINDER: On January 1, 2021 Trust over IP transitioned from a May-April fiscal year, which was based on the timing of its launch, to a January-December fiscal year to better align with other Linux Foundation projects.

The initial **May 2020 - April 2021 budget** has an operating **surplus of \$43,5k**. This is over and above full payment of the Program Manager salary as well as contracts for Communications Products and MKDocs Theming.

The projected **January-December 2021 budget** has an operating **total of \$129k**. This is over and above full payment of the Program Manager salary and includes a carry-over of unspent funds from last year.

The projected budget for 2021 does not factor in new membership fees from ETS and Certizen (Steering), the upgrade of RANDA to Associate member and the potential for two prospective Steering members (not named in this document per their confidentiality request) to join the Foundation.

Please see the Annex for a summary of this budget information.

Options

1. Premium tiers - introduce a scale of paid membership at the Steering level, in order to increase the maximum annual fee for Trust over IP membership above the current \$20k threshold.

This option has been discussed with Linux Foundation, which has clarified that it would be preferable to introduce a scale of fees at the Steering level rather than trying to introduce new levels to the membership framework.

Pro - offers an immediate and entirely optional mechanism to increase revenue from both current and incoming members.

Con - it is not clear what additional benefit can be offered to organizations selecting the top paid level, above what is already provided to all Steering members.

2. Membership drive - expand the number of paid members by promoting and proactively seeking new paid members at the Steering and Associate levels.

Note: the Associate membership level would convert to a “General” member level if Trust over IP chooses to adopt the new Project Charter (JDF 5.0) currently under review for approval on March 10.

Pro - creates the possibility of not only bringing in new financial resources but also new expertise and sector coverage to expand the Foundation's market presence.

Con - this could require an expansion of seats (large and small organizations) on the Steering Committee, and dedicated resources to sustain the effort on a membership drive.

3. Accelerator Fund - establish one or more crowdfunded projects based on the Linux Foundation's LFX platform (<https://lfx.linuxfoundation.org/tools/crowdfunding/>) to support targeted activities that have high value to private and/or public organizations.

This would provide resources to rapidly advance work and deliverables that require a rapid commitment of resources and expertise.

Pro - provides flexible and scalable funding for key activities using an existing Linux mechanism that is recognized in the market.

Con - there is no guarantee that a crowdfunding project would meet its intended targets, which could expose the Foundation to a risk of being perceived in an undesirable way in the public sphere.

4. Certification - create a revenue stream under which external, non-member organizations present different types of frameworks and products to Trust over IP to be evaluated against the dual-stack model and “certified” with a form of (currently undefined) Trust over IP validation.

Pro - brings new revenue into the Foundation while simultaneously raising the profile and status of Trust over IP as a trusted brand in the market.

Con - raises an important liability question in regard to the reliability of products and/or services that enter the market with a Trust over IP “certification” attached.

ANNEX - Budget Snapshot

Trust over IP	Fiscal Budget 5/1/20 - 4/30/21	CY Budget - 2020 Reforecast	CY Budget - 2021 Calendar
I. Community Engagement			
<i>Marketing & Creative Services (Subtotal)</i>	\$33,000	\$30,400	\$0
III. General and Administrative			
<i>G&A (Subtotal)</i>	\$21,825	\$21,825	\$13,800
IV. Staff, Travel & Board			
<i>Salary & Operations (Subtotal)</i>	\$126,104	\$44,771	\$126,104
V. Development			
<i>IT Services and Support Tools (Subtotal)</i>	\$18,000	\$12,000	\$18,000
Total Expenses	\$198,929	\$108,996	\$157,904
Total Revenues	\$242,500	\$242,500	\$153,333
Budget Surplus / (Gap) Current	\$43,571	\$133,504	-\$4,571
Prior Year Carryforward	\$0	\$0	\$133,504
Budget Surplus / (Gap) Total	\$43,571	\$133,504	\$128,934