



RESEARCH DATA ALLIANCE

rd-alliance.org

Research Data Alliance Foundation

C/o Rutherford Appleton Laboratory
Harwell Oxford
Didcot
Oxfordshire, OX11 0QX
England

RDA Financial Sustainability

Update for global RDA Community: 15 December 2021

1 Context

The Research Data Alliance (RDA Foundation) is a non-profit charitable organisation registered as a legal entity in the UK and is the official and legal representative of the RDA community as a whole. The RDA Foundation provides the core business operations of RDA and represents RDA globally. RDA Foundation income is primarily from two sources, Funding Agencies (Grants and Donations) and Organisational Memberships, with a further smaller ad-hoc Other Funding revenue stream. The current state of RDA Foundation financial issues is alarming. RDA has limited or no capacity to absorb new tasks. At the same time, the RDA Strategic Plan 2020 - 2023 is now being rolled out for implementation. It is essential to align the strategic plan with a concrete growth and sustainability plan.

In November 2020, the RDA Council established a short-term Financial Sustainability Task Force (FSTF)¹ focusing on the identification of appropriate and achievable revenue models for RDA, aligning financial plans with the strategic focus for 2021-2023² and engaging with regional offices and regional representatives to align revenue and business models.

The FSTF has investigated a series of income streams and business models to allow RDA to sustain the current momentum, cover planned expenditure, ensure annual bank reserves as well as increase staff, enhance the web platform, host events. The goal of this task force is to present and discuss a range of options and recommendations to the RDA community and its funders by mid-2021, with a view to finalisation and implementation by the start of 2022. Achieving these financial goals would allow the RDA Foundation to manage and deliver fundamental RDA community services.

The systematic core funding needed to maintain basic activities of RDA Global on an annual basis is £400,000 or \$566,000 USD. Expenses for the RDA Foundation, include the following cost items:

- Personnel Expenses: salaries and travel
- Fiscal Expenditure: corporate tax and VAT fees
- Other Expenses: including legal, accounting and bank costs, web site hosting and technical assistance, annual software subscriptions and licenses, as well as ad hoc expenses related to events.

In addition to these expenses, the Foundation must build up some bank reserves to support the income fluctuations and uncertainty around the exact receipt of payments.

2 Proposed Models

The FSTF recommendations cover five different and diverse income sources:

1. Regional Engagement (existing financial strategy),
2. Individual membership (new model),
3. Organisational membership (existing strategy with proposed changes),
4. Plenary meeting revenue model (new strategy) and

¹ <https://www.rd-alliance.org/about-rda/organisational-bodies/rda-council/rda-council-subgroups> Financial Sustainability Task Force Members Ingrid Dillo, Hilary Hanahoe, Robert Hanisch, Natalie Harrower, Rebecca Koskela, Mark Leggott

² <https://www.rd-alliance.org/about-rda/rda-strategic-plan-2020-2023>

5. Sponsor funding (existing ad-hoc model).

2.1 Regional Engagement

RDA recognises that strong partnerships with its Regional members are crucial to its success as an international organisation. This is achieved through a complementary and mutually-beneficial relationship between RDA and its Regions. RDA provides the forum for the international community to connect and share knowledge on all aspects of data sharing. This global perspective is a key strength of RDA given that the challenges in data sharing are present throughout the world. Value and benefits are realised through the Work and Business of RDA. The RDA Regional Engagement strategy³ was developed by a dedicated task force in 2018. Currently, RDA has established four Regional partnerships (Australia, Europe, France, United States) and is working with many regional and national stakeholders to increase regional engagement.

2.1.1 Financial Sustainability Recommendations

The regional engagement strategy remains valid today and no modifications to the proposed strategy or financial model are currently being proposed.

2.2 Individual Membership

Since its launch in 2013, RDA has always had a free individual membership model, which facilitated exponential growth of the community in the early years. The current RDA membership approach highlights that anyone can become a member of RDA as long as they adhere to the Guiding Principles - open access and transparent communication, consensus-driven decision making, balanced and inclusive representation, harmonisation across data infrastructure components, community-driven and volunteer efforts, and non-profit and technology neutrality.

2.2.1 Financial Sustainability Recommendations

Three categories of membership will be implemented: Regular, Supporting, and Sustaining.

Category	Regular	Supporting	Sustaining
Cost	Free	Rate: 75 USD Student: 35 USD LMICs: 35 USD	Rate: 250 USD
Benefits	<ul style="list-style-type: none"> Join groups (Interest Groups, Working Groups, Communities of Practice), respond to Requests for Comment, and participate in plenaries; Access all RDA outputs. 	<ul style="list-style-type: none"> All Regular benefits, plus a discount of 50% of the Supporting Membership fee against any one Plenary registration in a 1-year period; participate on RDA governance bodies; updating of member ORCID profiles with records of participation in RDA activities. 	<ul style="list-style-type: none"> All Supporting benefits, plus recognition as such in all RDA documents, websites, and Plenary events the ability to give a student or LMIC Supporting Membership to 1 designated individual for each year of the Sustaining Membership
Timing	Current model	2023	2022

³ RDA Regional Processes Document (v1.1 - 4 January 2021) which includes the Regional engagement governance model doi.org/10.15497/RDA00059

2.2.2 Conditions:

- All RDA outputs continue to be freely available to all, and as per the RDA Guiding Principles.
- Anyone can register for an RDA Plenary, but only Supporting/Sustaining Members can participate as Co-Chairs in groups, submit Plenary proposals (including WGs, IGs, BOFs, CoP), or receive a discounted rate.
- Individuals who are Group co-chairs or members of governance bodies at the time of the Membership model implementation be given a 1-year window in which to become Supporting Members.

2.2.3 Draft Timeline:

The Sustaining membership model will be implemented in early 2022 with Supporting membership from early 2023.

3 Organisational Membership

RDA Organisational Membership was established in 2014 with three levels of annual membership based on number of employees. In seven years, no fee increase was introduced. The task force, in consultation with the Organisational Members, recommended that there be four fee levels based on number of employees (FTEs). Annual organisational budget and staff budget were strongly considered yet employee numbers were felt to be the best way to determine appropriate fees, as some organisations have small employee numbers and small discretionary budget, but large budget allocations for acquisitions, holding large scale society meetings, and so on.

Another important goal is directly connected with the aspiration to become a truly global organisation, with equal representation from all parts of the world in the membership and bodies of RDA. Currently, organisations from countries with low or middle incomes (LMICs) are absent from the Organisational Assembly. To facilitate RDA membership for organisations from LMICs, appropriate fee levels are required. A further differentiation of fees is recommended between organisations from the non-profit sector and commercial organisations.

3.1.1 Organisational Membership Fees (from 2022)

No. employees (FTE)	HIC NFP	HIC FP	LMIC NFP	LMIC FP
< 50	\$1,250	\$2,000	\$250	\$400
51-150	\$2,500	\$4,000	\$500	\$800
151-250	\$5,000	\$8,000	\$1,000	\$1,600
> 250	\$12,500	\$20,000	\$2,500	\$4,000

*FTE – Full Time Employees HIC – High & Upper Middle income Countries | LMIC – Low and Lower Middle Income Countries – as defined by World Bank FP - For profit | NFP Not for-profit

3.1.2 Conditions:

- Staff/employee numbers are based on full time equivalents (FTEs).
- The element/level/department in an organisation that joins as an organisational member will not be controlled by RDA, however the entire organisation should be encouraged to join.
- Likewise, RDA will not ask for 'proof' of employee numbers but will operate with a reasonable sense of trust and self-identification
- The impact of the new fee structure on some existing members has been considered and this prompted the addition of a fourth fee bracket with associated fee level . There may be unintended consequences so

please note that organisations who find the fee level that reflects their employee numbers very problematic should get in touch directly with the Secretary General.

3.1.3 Draft Timeline:

The new Organisational Membership fees will be implemented from 1 Jan 2022. All existing Organisational members will be contacted directly by the Secretary General to discuss the new model. An Organisational membership recruitment and marketing package will be developed by the end of 2021.

4 Plenary Meeting Revenue Stream

Past RDA plenaries have been managed by the host organisations, who have set registration fees to cover meeting operating expenses. Those organisations took responsibility for the financial viability of the event and had to absorb losses when registration income and sponsorship income was insufficient to cover expenses. In the case where plenary income exceeded expenses, those organisations were expected to share 5% of their “profit” with RDA Global. This has not been a significant source of income for RDA Global.

The task force proposes an increase in the plenary registration fees to guarantee RDA Global a stable income stream, rather than getting a small percentage return on any profit made by the host organization. There are two options proposed:

- Option 1: Add either a fixed amount per registration or a percentage on top of the fee proposed by the host organization. For example, at P17 the early registration fee was approx \$200 (£150). Adding \$150, with 800 registrations, would realize an income stream of \$120,000. Other models to consider would be adding a higher fixed amount, though with “discounts” for students or participants from developing countries or adding a percentage with a sliding scale (e.g., 20% for students and developing countries, 30% for retirees, 50% for others, 100% for late registrations).
- Option 2: The Secretariat would assume responsibility for hosting all plenaries. The fees would be coordinated by Council and the Secretariat. The registration fee would be based on the cost of the meeting (country, venue, etc.) and the increment described in Option 1 would be added to the registration fee. Plenaries would include an Exhibit Hall with vendors paying for the privilege of inclusion, thus increasing the revenue from plenaries. It would also be possible to hold tutorials at the plenaries, at no cost to members but with a fee for non-members.

4.1.1 Draft Timeline:

The proposed models will be discussed with the regional Assembly and Regional Advisory Board for their insights and feedback, as potential hosts. Furthermore, given that the next Plenary meeting (Virtual Plenary 18) in November 2021 is completely managed by the RDA Secretariat, the Council will take stock of the outcomes to decide on the most appropriate next steps with respect to Plenary revenue.

5 Sponsorship / Ad-Hoc Revenue

Further sources of funding to boost the RDA Foundation income stream could include Ambassador / Fellow / Early Career Programmes as well as Testing, Adoption & Implementation Projects / Pilots. While all of these programmes would offer significant contributions to the Work of RDA, the impact and the achievement of the Strategic Plan goals, the management of these programmes by the RDA Foundation would not be feasible given the current staff situation. It is recommended that these types of activities be considered by RDA regions / offices. Income could support the regions to fund their global contribution.

5.1.1 Draft Timeline:

The Secretary General will generate an ignition report (outline of ideas) to be shared with the RDA Regional Advisory Board (RAB) and Regional Assembly (RA) for their discussion and deliberation on possible implementation.

5.2 RDA Financial Sustainability Next Steps Snapshot

<i>Revenue Model</i>	<i>Status (post 26 Aug)</i>	<i>Next Steps</i>
Individual Membership	<i>Approved – Sustaining from 2022, Supporting from 2023</i>	<i>Identify & set up platform for member management</i>
Organisational Membership	<i>Increase in Org Fees from 2022 and introduction of new employee brackets, geographical location (e.g. LMICs) and organization type (For and Not-for Profit)</i>	<i>Create marketing package 1-2-1 contact with existing members (until Dec 2021) Launch & promote new org membership package</i>
Plenary Revenue Model	<i>Still defining how this can be rolled out</i>	<i>Analyse the VP18</i>
Regional Engagement	<i>Existing model remains unvaried</i>	<i>Invest effort and resources to identify regional champions and agree partnerships</i>
Sponsorship / Ad-hoc	<i>Different modes of funding / engaging with RDA for the benefit of the Work of RDA (and an offset for Business of RDA)</i>	<i>Generate an ignition report (outline of ideas) to be shared with the RDA Regional Advisory Board (RAB) and Regional Assembly (RA)</i>

6 Financial Summary 2021 - 2024

Based on the different financial scenarios outlined in the sections above, this table provides the overall expected income from 2022 to 2024.

	2021	2022	2023	2024
Regional	\$215,000	\$255,000	\$265,000	\$275,000
Orgs/Affils	\$127,000	\$267,200	\$314,450	\$326,750
Individual	\$0	\$11,235	\$101,775	\$117,041
Plenary	\$0	\$22,875	\$22,875	\$45,750
Sponsors	\$0	\$87,500	\$90,125	\$92,829
Total	\$342,000	\$632,575	\$692,450	\$740,329
Goal	\$566,000	\$566,000	\$582,980	\$600,469
Net	(\$224,000)	\$66,575	\$109,470	\$139,859

Financial Summary 2021 – 2024 Notes

- 1 *For 2021, AU, EU, FR, and US. For 2022 onward, AU and EU, FR likely, US not.*
- 2 *Assumes 1000 members, Figures are net minus membership management fees*
- 3 *2022 and 2023 include only one plenary as IDW is a zero income model, Figures are net minus individual membership discount*

6.1 Forecast Expenditure 2022 - 2024:

As outlined in section 1., maintenance of the basic activities of RDA Global on an annual basis is £400,000 or \$566,000 USD. Expenses for the RDA Foundation, include staff, fiscal and other expenses. The staff costs are based on 2.8 FTE per annum. If the forecast figures are achieved, then the RDA Foundation will be in a position to:

1. Build up bank reserves to support the income fluctuations and uncertainty around the exact receipt of payments.
2. Hire one or two additional staff member(s) to support the “Work of RDA”, group activities, outputs, impact, maintenance, stakeholder communication and outreach
3. Create a small fund to support “ad hoc” awards, calls to action, scholarships, etc.