

# **Academic Preservation Trust**

## **Financial Sustainability & Business Principles Policy**

### **Version 3.0**

## **Strategic Business, Financial, and Service Principles**

1. The APTrust consortium serves as an operating entity with a set of values quite different from the for-profit motives behind the cloud-based commercial components that are major parts of most of our services. Our purpose is preservation to ensure future access to the digital content we have defined within our scope. The massive scale of the need for such preservation, and the absence of sufficient resources (financial and human) to address that need is our largest challenge. Reconciliation of our purpose with our largest challenge is a task much more wide-ranging than operating a current-technology preservation storage repository. For that reason APTrust's membership invests in its work, contributing more than the direct costs of its current preservation-storage service and reducing the amount of staff salary costs that have to be recaptured by preservation-service fees. Our current activities (as of March 2021) are subsidized in two forms:
  - i. Ongoing support at the level of \$380,000 per year from the University of Virginia to assist in covering the salaries of APTrust staff.
  - ii. Annual support from all sustaining-member institutions at \$20,000 each per year, which substantially exceeds the costs of the 10TB of deposited digital content allocated to each such institution per year.
2. We exist to serve the academic, scholarly research, and cultural heritage community.
3. We are a collaborative, consortial entity governed by its members and seeking donated contributions of effort from its members to increase capabilities and reduce costs.
4. We will conduct our activities with a spirit of openness in operations and management.
5. We strive continuously to set prices of APTrust services at levels that encourage responsible stewardship of digital content.
6. We will set prices of APTrust services at levels that cover costs and, when and if they generate additional revenue beyond expenses, only do so for the purposes of:
  - i. maintaining our reserve in accord with our policies [See current [Succession Policy](#) linked on this page]
  - ii. providing capital for investment in developing new or enhanced services
7. Recognizing that one size does not fit every institution or use case, we will develop tiered service offerings, likely with varying levels of assurance and availability, that provide alternatives for overcoming financial impediments to responsible stewardship whenever feasible and appropriate.
8. We expect to diversify APTrust's services with offerings related to digital content that are valued by our membership and the preservation community.
9. We will regularly review our technical platforms and service providers to ensure that we are providing the highest sustainable value that we can for the services that we provide.
10. We will pursue standards of operation and certifications related to them that are valued by our member institutions and the larger higher education community.

11. As part of our approach to cost control, we will explore collaborative relationships with other entities, especially those with compatible missions, to combine efforts for the mutual benefit of the constituencies served at low cost and high quality.
12. We define and measure success over the short term by the volume of use of our services by our members. Over the long term, our success will be measured by our contributions to the reconciliation of our purpose with the largest challenge working counter to that purpose (see #11, above).

## Budget Process

Budget documentation includes

- o *APTrust Services and Fees List*
- o *APTrust Budget Reports*
- o *APTrust Succession Policy*

[Current versions of each of these documents are available on our website.](#)

The budget of APTrust is a separately maintained budget held within the University of Virginia Library and overall university systems. The Executive Director of APTrust will generate a budget proposal each year in consultation with and for review by the Governing Board. Twice a year the Board will review the financial health of the organization to ensure that the organization has enough in reserve to comply with policy and/or to meet succession needs should circumstances trigger it.

## Financial Practices and Procedures

### Audits

The University Library's financial procedures are subject to audit review on multi-year cycles by the University of Virginia's auditors and periodically by the Commonwealth of Virginia's Auditor of Public Accounts. Audits examine the Library's practices, including those related to APTrust, for compliance with all relevant University policies. Security audits of technical environments, except those that are materially related to financial transactions, are generally not included in these reviews.

### Financial Procedures

#### Section 1: Checks, drafts, etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of APTrust shall be handled consistent with the financial policies and practices of the University of Virginia.

#### Section 2: Deposits of Funds

All funds of APTrust shall be deposited from time to time to the credit of APTrust in such banks, trust companies, or other depositories within normal practices of the University of Virginia.

#### Section 3: Gifts

The Board may accept, on behalf of APTrust, any contributions, gifts, bequests, or devices for the general purposes or any special purpose of APTrust, in manners consistent with the financial policies and practices of the University of Virginia.

#### Section 4: Fiscal Year

The fiscal year for APTrust shall begin on the first day of July of each year and end on the thirtieth day of June next succeeding, consistent with that of the University of Virginia.

#### Section 5: Costs and Termination of Services for APTrust Preservation Storage Environments

- Membership dues (annual)
  - Annual membership dues will be billed by April 30 and due for payment on or before August 1. Annual membership terms run from July 1 to June 30. New members will be billed based on the effective date of membership, prorated to cover the period until the following July 1. Members may request invoices earlier in the year if more convenient to their financial planning and fiscal year dates.
  - Unless otherwise requested by the member, the annual invoice will also include itemized fees for additional services as noted below.
- Additional service fees
  - Costs to a depositing entity are based on that entity's use of its 10TB high assurance storage allowance and any additional storage it uses. If a depositor's storage on the last day of a month exceeds the 10TB allowance, the depositor will incur additional charges for that storage for that month at the published rates that apply to the specific storage types used. APTrust will record data on the use of preservation storage space on the last day of the month and make that data available to the member.
  - Although the data will be collected monthly, the depositor may choose the frequency of extra-content billing: APTrust will generate invoices monthly, every two months, every six months, or annually, based on a yearly extra-content billing cycle that begins April 1 and ends the following March 31. If the depositor does not request another schedule, the fees for extra deposited content between the period April 1 and March 31 will be included in the annual membership invoice issued on the schedule noted above.
- Unpaid invoices
  - If a depositor fails to pay any invoice when due, the depositor's account will be classified as "unpaid," and the APTrust staff will contact the depositor using contact information previously submitted by the depositor.
  - If the APTrust has not received payment or established other billing/payment arrangements with the depositor within 30 days of the depositor's account being designated as "unpaid," APTrust services to the depositor will terminate 60 days from that designation, and the matter will be referred to the Governing Board to determine what will happen to the deposited content. The Governing Board will consider the nature of the deposited content and, if no more appropriate option emerges, may order its deletion from the APTrust preservation storage environment.
  - A depositor may terminate preservation storage services by notifying the APTrust in writing at least four months in advance of the termination's effective date. Service will continue to that date, and the depositor will have until that date to retrieve its deposited content from the APTrust storage environment unless both

parties have previously agreed to other arrangements. If there is no such agreement, a depositor's content will be deleted from the APTrust's storage environment on the termination effective date.

- o In the event of either a depositor's failure to pay or a depositor's election to terminate service as described above, the depositor will have the option to establish a direct contractual relationship with the third-party storage provider with whom the APTrust stored the depositor's data. Details of how the depositor can establish a direct relationship and take over technical management of the deposited data appear in the current version of the *APTrust Succession Policy*.

## Review

Review frequency: Every 5 years

Next review: February 2029

## Version History

Version	Status	Date	Notes
.1	Done	1/12/17	Comments from APTrust Community ended
.2	Done	2/9/17	Communications Group approves vote for APTrust Community
.7	Done	3/16/17	APTrust Advisory Community approval
.8	Done	3/17/17	Minor edits completed based on Advisory Feedback
1.0	Done	4/2018	Board Vote and Approval - <a href="#">DOI</a> uploaded
1.5	Done	11/2019	Open for comments from APTrust members
1.7	Done	10/2020	Sent to Advisory - Update version - with comments incorporated
1.8	Done	10/2020	Advisory Committee Vote
2.0	Done	10/2021	Board Vote and Approval - <a href="#">DOI</a> uploaded
3.0	Done	2/2024	Advisory Committee Approved
3.0	Done	4/2024	Governing Board Approved and DOI uploaded