# APTrust Strategic Business, Financial and Service Principles

version 10/3/15

Update 4/14/16 to add “strategic” to title

DRAFTS OF PRINCIPLES

1. We exist to serve the higher education community.
2. 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.
3. We will conduct our activities with a spirit of openness in operations and management.
4. We strive continuously to set prices of APTrust services at levels that encourage responsible stewardship of digital content.
5. 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:
   1. maintaining our reserve in accord with our policies
   2. providing capital for investment in developing new or enhanced services before those generate sufficient revenue of their own
6. 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.
7. We expect to diversify APTrust’s services with offerings related to digital content that are valued by higher education institutions.
8. We intend to maintain a reasonably-accessible reserve fund sufficient to cover the costs of normal operations for a year.
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 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. In some instances, we will base our services and our service fees on full costing, where all costs and any subsidies that reduce them are visible. In other instances, we will base our service and our service fees on marginal costing. In that case, some of the costs of providing our services are simply the marginal additional costs of expanding the scale of a service capability originally designed to provide services to some other entity in order to allow it to provide an APTrust-associated service to our members. In marginal costing of this type, there are significant costs hidden or invisible that would be clearly defined if the service capability had been built solely and explicitly for APTrust.
    1. Our current service array is subsidized in two forms:
       1. Ongoing support at the level of $380,000 per year from the University of Virginia to assist in covering the salaries of APTrust staff.
       2. Annual support from all sustaining-member institutions at $20,000 each per year, which substantially exceeds the costs of 10TB of content allowed to each such institution per year.
12. As part of our approach of cost control, we will explore collaborative relationships with other entities, especially those with compatible missions, in order to combine efforts for the mutual benefit of the constituencies they and we serve at low cost and high quality.
13. We define and measure success by volume of use of our services by our constituencies.