

OPENID FOUNDATION DIRECTED FUNDING POLICY

APPLICABILITY

This OIDF Directed Funding Policy ("**Directed Funding Policy**") applies to and is binding on:

- Each OIDF Member ("**Member**")
- Each OIDF Chapter ("**Chapter**")

It applies to contributions of funds to OIDF that are earmarked for specific directed purposes. It does not apply to Membership Fees paid to OIDF, or membership fees paid to any Chapter, as such fees are by definition intended for general use.

PURPOSE

This Directed Funding Policy sets forth the rules and requirements that govern contributions of funds to OIDF by any Member or Chapter that are earmarked for specific directed purposes.

POLICY

1. Definition and Purpose

1.1. Directed Funding. Directed Funding is a mechanism whereby OIDF Members and Chapters can help to advance the mission of OIDF by making contributions of funds to OIDF that are designated for a specific project or purpose for the benefit of OIDF and its membership (such funds referred to as "**Directed Funds**"). Contributions of Directed Funds are used by OIDF to fund projects for the specific purpose designated by the contributing OIDF Member or Chapter, or to pay for OIDF-run conferences or similar events to advance the specific purpose designated by the OIDF Member or Chapter, subject to the policies of OIDF as same may be amended from time to time.

1.2. Membership Fees. All membership fees paid to either OIDF or an OIDF Chapter are to be treated as general funds to be used at the discretion of OIDF or the applicable OIDF Chapter, and thus are not subject to this Directed Funding Policy.

1.3. Compliance with Tax Law Restrictions. Open Identity Exchange ("OIDF") is an Oregon not-for-profit corporation organized exclusively to further the promotion of the common business interests of its members consistent with the

provisions of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the “Code”) and regulations thereunder. OIDF is exempt from federal income tax under Section 501(a) of the Code. The purpose of this Directed Funding Policy is to ensure that the receipt and use by OIDF of all Directed Funds is consistent with its legal obligations as a nonprofit, and does not have an adverse impact on OIDF continuing to be an organization exempt from federal income tax as described in Section 501(c)(6) of the Code.

2. **Eligibility to Contribute Directed Funding.** Any OIDF Member or Chapter in good standing is eligible to contribute Directed Funds to OIDF for a specific project or purpose. In addition, more than one Member or Chapter may join together, to make a series of contributions to fund a project, such as, for example, via a matching funds program.
3. **Acceptance of Directed Funds.** OIDF will make a determination as to whether or not the purpose or proposed project to be funded by Directed Funds is consistent with the requirements of this Directed Funding Policy, and any other OIDF Policy. If the project meets the requirements of OIDF, OIDF may accept the Directed Funds. OIDF shall have the sole and absolute discretion to accept or reject Directed Funds.
4. **Restrictions on Purposes for Use of Directed Funds.** Directed Funds will be accepted by OIDF only for purposes that advance the mission of OIDF, and that benefit its members and the identity community generally, as determined in the sole discretion of OIDF. Contributions will not be accepted for purposes designed to solely benefit any OIDF Member(s) or Chapter(s), for purposes designed to provide an OIDF Member with a competitive advantage over other entities, subject to any restrictions unacceptable to OIDF, or under circumstances that may cause OIDF to cease to qualify as an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or otherwise exempt from federal income tax under Section 501(a). In all cases, all work products and other deliverables (i) resulting from the use of Directed Funds in support of any OIDF Work Group project involving the development of an OpenID Specification will be subject to the OIDF IPR Policy, and (ii) resulting from the use of Directed Funds for any other purpose will be owned by OIDF, and may be made publicly available on the OIDF website.
5. **Treatment of Directed Funds.** All contributions of Directed Funds are irrevocable donations to OIDF, to be used for the specific purpose(s) for which they were received.
6. **Extent of Funding Member Control Over the Use of Directed Funds.** Subject to the requirements set forth in this Directed Funding Policy, the OIDF Member or Chapter contributing Directed Funds may designate a specific purpose for which the Funds are to be spent, recommend person(s) or entities to whom Directed Funds will be paid, specify the general category or subject matter for which the

Directed Funds should be used, as well as other related requirements specified in a memorandum of understanding negotiated between OI DF and the OI DF member at the time the Directed Funds are contributed. Notwithstanding the foregoing, in the event that subsequent to the acceptance of Directed Funds OI DF determines that the project may cause OI DF to cease to be an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or exempt from federal income tax under Section 501(a), OI DF shall have the sole and absolute right to terminate such project. In such event, all unused funds will remain the property of OI DF and available for future projects. The OI DF member shall not have a right to receive a refund of its contributions.

7. **Use of Directed Funds.** All Directed Funds may be used or disbursed by OI DF for the specific purpose(s) for which they were received, subject to reasonable restrictions, if any, designated by the contributing OI DF Member or Chapter. OI DF shall have the sole and absolute discretion to determine the manner and method of fulfilling the purpose or conducting the project for which such funds were received. The OI DF Member or Chapter that contributes Directed Funds may make such recommendation as it desires for OI DF consideration. OI DF shall conduct such due diligence and review of any recommendations as it deems appropriate. In no event shall any contributor of Directed Funds have the ability to require that any vendor, supplier, contractor or other party to be retained by OI DF to complete the project funded by the Directed Funds. All decisions pertaining to same shall be in the sole and absolute discretion of OI DF, which discretion shall be final and not subject to review.

- 7.1. Deliverables. OI DF shall have no responsibility to the OI DF Member or Chapter contributing Directed Funds for the ultimate deliverables or outcome resulting from the Directed Funds and shall not be liable for the services or work products to be provided under any project involving the use of Directed Funds. OI DF shall not be a guarantor as to the final work product in any case.

- 7.2. Administrative Expenses. In conducting any project involving the use of Directed Funds, OI DF reserves the right to deduct from the Directed Funds reasonable sums incurred for out-of-pocket expenses by OI DF, and a reasonable administrative fee for undertaking and managing the project.

8. **Use of Work Product and Other Project Deliverables.** All work products and other deliverables (i) resulting from the use of Directed Funds in support of any OI DF Work Group project involving the development of an OpenID Specification will be subject to the OI DF IPR Policy, and (ii) resulting from the use of any Directed Funds for any other purpose will be owned by OI DF, and may be made freely available on the OI DF website. In no case will ownership of, access to, or use of, any such work product be restricted to or by any OI DF Member or Chapter.

9. **Funding Member Requests to Terminate a Project.** An OI DF Member or Chapter that contributed the Directed Funds can request that OI DF terminate a specific project undertaken with such funds, and OI DF will use reasonable efforts to do so, consistent with its commitments to the service providers and other participants involved. In the event of any such termination, all unused funds will remain with OI DF and generally available for future projects. The OI DF Member or Chapter that contributed the Directed Funds shall not have a right to receive a refund of its contributions.
10. **Responsibility/Liability of OI DF to Funding Member for Project Performance.** OI DF takes on only the general obligation to use and administer the disbursement of the Directed Funds for the general purpose specified by the contributing OI DF Member or Chapter, subject to the limitations and conditions described in this Directed Funding Policy, any applicable memorandum of understanding, and any other applicable OI DF Policies, as amended from time to time. OI DF does not take on any responsibility for achieving any specific result or deliverable, or for ensuring that any resulting work product or services are acceptable to the OI DF member.
11. **Disposition of Unused Directed Funds.** All Directed Funds will be applied for a specific purpose. If a project under which such funds are expended does not exhaust the funds, the remaining funds may be contributed to the OI DF general fund at the sole discretion of the funding OI DF Member or Chapter, or will continue to be maintained in a segregated account for the specific purpose originally designated or for an additional project(s) within the scope of the designated purpose. Directed Funds are not refundable.
12. **Maintenance and Accounting for Directed Funds.** All contributions of Directed Funds will be received, held by OI DF, and separately accounted for on its books and records as Directed Funds. Directed Funds, however, may be co-mingled with the general OI DF funds. To ensure transparency, reports of expenditures of Directed Funds will be made available to OI DF members upon reasonable request.
13. **Other Restrictions or Requirements for the OI DF Directed Funding Program.** All directed funding programs must be consistent with the legal obligations of OI DF and its members under applicable antitrust, tax, and fair business practice laws and regulations.
14. **Additional information about the OI DF Directed Funding Program.** Contact Don Thibeau, OI DF Executive Director, or the OI DF Program Manager, at help@oidf.org.