AOFS Governance & Non-Profit Strategy

AOFS operates under a **non-profit governance framework**, ensuring its mission of open, community-driven agricultural standards is maintained and protected.

1. Legal Ownership & Trademark Control

- The non-profit **owns the AOFS name, logo, and certification marks**.
- Official AOFS branding may only be used by **implementations certified** to follow the standard.
- Open licensing applies to specifications and core modules:
  - Documentation: **Creative Commons Attribution-ShareAlike 4.0 (CC BY-SA 4.0)**
    - Details & Legal Code
  - Software modules: **GNU GPL v3 or similar strong copyleft licenses**
  - Hardware / Controller designs: **CERN Open Hardware License (OHL)**

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2. Governance & Community Trust

- **Steering Committee / Advisory Board** oversees the standard:
  - Representatives from NGOs, universities, and community organizations
  - Approves contributions, updates, and certification rules
- Transparent and open decision-making ensures **AOFS remains aligned with humanitarian and low-resource farming goals**.

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3. Modular & Federated Architecture

- Core AOFS modules (irrigation safety, livestock, poultry) remain **open, auditable, and standardized**.
- Optional extensions may be added by communities or organizations, but **must comply with licensing rules to remain AOFS-compatible**.
- **Federated controller network** ensures data and operations remain **local, secure, and independent** of any commercial vendor.

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4. Certification & Branding

- Only implementations following the AOFS standard and passing audits may use:
  - AOFS logo

    - "AOFS Certified" branding
- Certification ensures **community and NGO trust**, even if optional proprietary extensions are added.

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5. Preventing “Embrace, Extend, Extinguish”

- AOFS encourages adoption (**embrace**) and local customization (**extend**) while legal, governance, and licensing mechanisms **prevent hijacking or closing the standard** (**extinguish**).
- Key safeguards:
    - Strong copyleft licenses (CC BY-SA 4.0, GPL v3, OHL)
    - Controlled trademark and certification marks
    - Transparent governance through a steering committee
    - Federated, modular architecture with auditable core

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6. Neutrality & Community Adoption

- Being a **non-profit signals neutrality**, encouraging adoption by:
    - NGOs
    - Local government projects
    - Community farms in low-resource regions
- Ensures AOFS remains **humanitarian and accessible**, rather than commercially driven.

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7. Sustainable Funding & Extensions

- Non-profit may fund operations via:
    - Grants and donations
    - Certification and training programs
    - Optional commercial extensions or services
- Core AOFS remains **fully open and auditable**, while funding supports **community support, training, and governance**.

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8. Tax-Exempt / Gemeinnützig Status

- AOFS as a German **eingetragener Verein (e.V., registered association)** can be recognized as **gemeinnützig (tax-exempt / charitable)** if:

    - It serves **educational, scientific, or developmental purposes** (e.g., training, sustainable agriculture, NGO support).
    - All funds are **used exclusively for the association's mission**.
    - The statute (Satzung) explicitly forbids **profit distribution to members**.
- Benefits of gemeinnützig recognition:
    - **Tax exemption** on income used for AOFS purposes
    - **Deductible donations**, encouraging NGO and international support
    - **Access to EU grants and public funding**
    - Signals **neutrality and trustworthiness** for international partners
- Revenue-generating activities (certification fees, training, workshops, consulting) are allowed **as long as the profits are reinvested into AOFS's mission**.
- This ensures AOFS can **fund operations, hire staff, and maintain certification programs** while keeping the standard **fully open and community-driven**.

8a. Tax Implications for Afritic Group LLC

- Afritic Group LLC, as a US-based company, may contribute to AOFS e.V. to support operations, training, or certification programs.
- **Important US tax note:**
    - Donations to a German gemeinnütziger e.V. are **not automatically tax-deductible in the US**.
    - Only contributions to recognized US 501©(3) organizations or through a fiscal sponsor may qualify for US tax deductions.
- **German perspective:**
    - AOFS e.V., as a **tax-exempt / charitable organization**, can accept donations that are **tax-deductible for German taxpayers**.
- **Practical benefit for Afritic Group:**
    - Enhances credibility and reputation internationally
    - Signals commitment to **open, community-driven agricultural standards**
    - Supports AOFS operations without taking ownership or control of the standard
- **Optional strategies for US tax benefits:**
    - Use a US-based 501©(3) fiscal sponsor to channel donations
    - Establish a US foundation affiliated with AOFS e.V.
- **Key point:** The primary value of contributions is **mission support and credibility**, not direct US tax deduction.

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9. Risk Mitigation & Protection Against Commercial Takeover

- AOFS's non-profit e.V. structure provides both **legal and operational protection** against hostile commercial attempts to hijack the standard.
- Key mechanisms reducing takeover risk:
- **Legal safeguards:**
    - AOFS e.V. statutes explicitly forbid **profit distribution to members or founders**.

    - Ownership of the **AOFS name, logo, and certification marks** resides with the e.V., not any individual or company.

- **Community trust & credibility:**
    - NGOs, universities, local governments, and international partners **actively support and fund AOFS**.
    - This creates a **social and operational barrier** to commercial actors attempting to take over or privatize the standard.

- **Mission alignment:**
    - AOFS activities (certification, training, workshops) are **reinvested into the mission**, not profit.
    - Any attempt to monetize core modules outside this framework would **violate statutes and damage credibility**, making hostile appropriation unfeasible.

- **Governance structure:**
    - Steering Committee / Advisory Board is **community-driven and independent**, not controlled by any single commercial entity.
    - Transparent decision-making ensures **open adoption and compliance with humanitarian goals**.

- **Bottom line:**
    - By combining **non-profit legal status, community trust, transparent governance, and mission-focused operations**, AOFS significantly reduces the risk of a commercial entity using an "Embrace, Extend, Extinguish" strategy against the standard.

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10. Contracting Work & International Collaborators

- AOFS e.V. can legally **hire companies or individuals worldwide** to perform mission-related work, including software development, consulting, training, or field support.

- **Contracting to a company (e.g., Afritic Group LLC):**
    - AOFS e.V. may engage Afritic Group to develop AOFS software modules, dashboards, or other technical solutions.
    - Requirements for compliance:
        - Clear **contract specifying deliverables, scope, and payment**
        - Payments recorded as **operational expenses** in AOFS e.V.’s accounting
        - Work must directly **support AOFS’s mission** (open, community-driven agricultural standards)

- **Contracting international collaborators (e.g., consultants in Africa):**
    - AOFS e.V. may hire individuals or organizations for:
        - Advisory services
        - Field testing and pilot projects
        - Training workshops and capacity building
        - Localization, translation, or community support
    - Same compliance rules apply: **documented, mission-related, and reasonable compensation**

- **Key compliance notes:**

    - Payments **must reflect fair market value**; inflated fees or disguised distributions to founders are prohibited
    - Contracts, invoices, and accounting entries should **clearly demonstrate alignment with AOFS mission**
    - For non-EU contractors, **cross-border payments are standard**; reverse-charge VAT may apply for EU accounting, but it is generally manageable

- **Practical benefits:**
    - Leverage **Afritic Group's technical expertise** for AOFS software without compromising non-profit status
    - Engage **local experts and consultants** in target regions to enhance adoption, training, and field operations
    - Maintain **full legal compliance, mission focus, and credibility** while scaling AOFS globally

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Summary

- AOFS under a non-profit framework ensures:
    - Legal protection of **name, logo, and certification**
    - Strong **copyleft licensing** for core modules
    - Transparent, community-driven governance
    - Federated and modular architecture for **resilient, offline-first operation**
    - Protection against commercial hijacking while encouraging **open adoption and local extensions**
    - Potential **tax-exempt status** to support sustainable funding and credibility

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