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. Contracting Work Through AOFS e.V.

AOFS e.V., as a **tax-exempt / charitable organization**, may legally contract services to support its mission, including hiring **Afritic Group LLC** or other providers, as long as all activity **directly supports AOFS's purpose** and is **transparent and documented**.

9.1 Permitted Work & Scope

- Software development for AOFS modules (e.g., GAKD, Field/Farm Controllers)
- IT administration and infrastructure support
- Training materials, workshops, and documentation
- Research or consultancy aligned with AOFS's charitable objectives

9.2 Key Compliance Principles

- **Reasonable Fees**
  - Payments must reflect **market rates** and **not exceed fair compensation** for services rendered
  - Avoid overpayment disguised as high fees, which could threaten **gemeinnützig status**
- **Mission Alignment**
  - All contracted work must **directly serve AOFS's charitable mission** (community-driven agricultural standards, research, training)
  - Contracts should explicitly reference how deliverables support AOFS objectives
- **Board Oversight & Approval**
  - AOFS e.V.'s board must **formally approve all contracts**
  - Ideally, **founders with ownership in the contractor** abstain from voting on related approvals
- **Documentation & Transparency**
  - Keep contracts, invoices, and deliverables **fully recorded in e.V. accounting**
  - Optionally, provide **donor or public summaries** to maintain trust
- **Optional Competitive Checks**
  - Occasionally obtain quotes from independent providers to demonstrate **market fairness**

9.3 Benefits of This Approach

- AOFS e.V. can **fund professional development and technical support** without risking charitable status
- Enables **efficient execution of projects** such as GAKD, training, or certification programs
- Maintains **open, community-driven standards**, while using professional expertise
- Provides a **legal and transparent framework** to pay Afritic Group LLC or other contractors globally

9.4 Risk Mitigation

- **Avoid self-enrichment**: payments must never appear as private profit
- Ensure **mission-relevance** of all work to prevent challenges from **tax authorities or donors**
- Maintain **separation of decision-making** between AOFS e.V. governance and the contractor's ownership

Summary

AOFS e.V. can safely contract work to **Afritic Group LLC or other service providers**, provided:

- Fees are **reasonable and market-aligned**
- Work is **mission-driven**
- Contracts are **documented and board-approved**
- Governance ensures **no private enrichment**
- Transparency and optional competitive checks **mitigate scrutiny risk**

This enables AOFS to **leverage professional services** while **maintaining its open, non-profit, and community-focused ethos**.

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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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11. University & Research Collaboration

- AOFS e.V. can actively **partner with universities, research institutes, and NGOs** to support and improve the knowledge_base.
- **Collaborative Research & Development:**
    - Universities may contribute expertise, datasets, or analytical tools to enhance GAKD.
    - Participation can include **crop modeling, climate impact studies, sustainability research, or operational optimization**.
    - All contributions remain **under AOFS-approved open licenses** (CC BY-SA 4.0, GPL v3, CERN OHL) to maintain openness and prevent privatization.
- **Mutual Benefit:**
    - Universities gain access to **real-world datasets and field validation opportunities**.
    - AOFS gains **validated research, improved defaults, and international credibility**.
- **Training & Capacity Building:**
    - University partners can lead **training workshops for farmers, local NGOs, and students** using AOFS tools and GAKD data.
    - Supports **knowledge transfer, adoption of standards, and community empowerment** in low-resource regions.
- **Funding & Grants:**
    - Joint research projects may **apply for EU, UN, or national grants**.
    - AOFS e.V. manages funds in compliance with **tax-exempt and mission-aligned regulations**, ensuring all resources benefit the AOFS mission.
- **Compliance & Governance:**
    - Contributions must **align with AOFS mission and governance rules**.
    - Data privacy, anonymization, and proper licensing are **mandatory for all partners**.
    - Universities and research collaborators operate under **transparent agreements** overseen by the AOFS Steering Committee.
- **Practical Outcome:**
    - Strengthens **GAKD quality and reliability**.
    - Encourages **evidence-based recommendations for farmers**.
    - Expands **global reach and credibility** of AOFS as a neutral, non-profit standard.

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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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