September 5, 2017

RE: 2017-18 Grant Expectations for Wikimedia France

Dear Samuel:

This letter sets out certain requirements that Wikimédia France (WMFR) must meet in order for the Wikimedia Foundation (WMF) to disburse funds pursuant to the grant agreement between our two organizations. We’ve had some discussions already about a number of the points referenced below, and we welcome and deeply appreciate your assurances and commitment to guiding WMFR through this period.

WMF wants to support WMFR’s transition and health. We want WMFR’s current and future staff and board members to understand that WMF cares about the success of your chapter. If you have any questions or concerns, please feel free to reach out to Katy Love.

WMF must consider its stewardship of donor funds and ensure that grant recipients meet all grant-required standards for financial responsibility. WMF must do this both as a steward for a movement-supported by donations from the public and to comply with legal requirements for a U.S. not-for-profit organization. WMF must ensure that funding is used appropriately and effectively to support the charitable aim of the Wikimedia mission, and that this use is reflected in proper reporting.

Based on the events at the chapter of the past year, advice from the Wikimedia Funds Dissemination Committee **[“FDC”]**, and the recent report from the WMF's site visit with the chapter, WMF needs additional assurances that WMFR can meet its obligations as a grant recipient. The expectations set out in this letter are temporary and specific guidance to ensure donor funds are used in accordance with the Wikimedia values and vision. This does not modify the relationship between WMFR and WMF under the Chapter Agreement, and there is no intention to interfere with the regular operations of the chapter. These expectations are based on issues of legal compliance, financial accounting, and governance practices, as set out in the grant agreement, dated 29 June 2017, for annual plan funding in 2017-18 (the "Grant Agreement"), and, as noted, are consistent with the obligations WMF has under U.S. law as a charitable organization.

In recent months, we have been deeply concerned about reports about the leadership, accountability, and governance of WMFR. We’d like to share these grant expectations to move forward together and resolve these concerns. We believe that making progress will support the chapter's continued development.

The WMF Board of Trustees has directed the WMF Executive Director to ensure that the grant funds are used appropriately, following fiscal and governance best practices. Funding under the Grant Agreement will be provided in installments, contingent upon WMFR's progress toward the requirements described below. The grant award is 343,000 EUR, which will be divided into three payments. We would like to schedule these disbursements on September 30, October 31, and January 31. Each payment is conditioned on completion of the requirements below to WMF's satisfaction, and ongoing compliance with the other terms in the Grant Agreement. If WMFR is not able to meet these expectations, the WMF in its sole discretion may choose to terminate the Grant Agreement pursuant to Section 2. However, it is our sincere hope this will not be necessary and that we will be able to continue to fund WMFR's work in support of the Wikimedia community in France. We hope to be in regular conversation together as WMFR makes progress on completing these requirements. We will be available to support the WMFR Board and answer questions as they come up.

*Revised grant conditions*

**Payment 1**: WMF anticipates WMFR will meet the following requirements by September 30, 2017 and be eligible to receive the first payment of 85,750 EUR:

1. Implement fund accounting

To receive any grant funds, WMFR must ensure expenses are tracked according to their revenue source. At a minimum, WMFR must be able to separately track and report on all expenses funded by WMF grants in the WMFR accounting system. This is required under Section 1 in the WMF grant agreement, and required to demonstrate, for example, that funds are not being improperly used for lobbying or political activities. WMFR may satisfy this requirement by providing a letter from a qualified auditor confirming that fund accounting is in place that allows the chapter meet the terms of the grant agreement.

1. Provide financial explanations to WMF

Please provide the following documentation, for purposes of explaining the amounts owed to the Foundation under fundraising agreements in 2011-2013, and amounts retained under FDC allocations:

* 1. Full audit reports certified by external Auditors for Fiscal Year 2011, 2012 and 2013.
  2. Accounting general ledger activity related to fundraising agreements and amounts owed to WMF in Calendar Year 2011 (Jan 2011 - Dec 2011), Fiscal Year 2012 (Jan 2012 - Jun 2012), and Fiscal Year 2013 (Jul 2012 - Jun 2013). General ledger activity for these periods must include: all revenue raised as part of the fundraising agreements, amounts retained by WMFR as part of WMFR’s revenue target, amounts retained by WMFR related to fundraising expenses, and amounts owed to and paid to WMF.

To the extent any of these records are no longer available, WMFR may provide a letter certifying that they cannot be provided and provide alternative records where possible.

1. Give careful consideration to the use of legal threats against chapter and community members, and provide WMF with notice and explanation.

WMF is concerned about what appear to be a significant (and in our experience, unusual) number of legal demands, both verbal and written, threatening possible legal action. These have been issued by or on behalf of chapter leadership to former staff and board members, among others. This practice does not seem to be consistent with Wikimedia values of openness and collegiality or, in our view, with best practices for fostering free and open discussions between and among those with conflicting views. Nor does it appear to be the optimal way to resolve conflicts.

This is not in any way to say that WMF condones any egregious incivility within the Wikimedia community. But with respect to the chapter's actions, we would expect that if the chapter in good faith believes legal threat action may be warranted, it should first seek to resolve these issues in a non-threatening manner.

We ask that you inform WMF and provide explanation if you must resort to these types of threats of legal action by the chapter. We also ask to be apprised if the chapter leadership feels that legal action is appropriate to take against current or former board members or staff.

If WMFR makes further legal threats or takes legal action against community members (including current or former board members or staff) without providing notice and a reasonable explanation to WMF, WMF may discontinue providing grant funding. Nothing in this requirement is intended to have WMFR violate applicable law or fail to take actions required by law. However, pursuant to our policies, procedures, and agreements, WMF retains the right to cease funding WMFR should we conclude that legal threats are being used inappropriately to stifle civil and appropriate participation in the chapter.

1. Provide a revised budget for the remainder of the 2017-18 operating year

Please provide a revised budget that reflects the changes from the FDC grant compared to the original grant request made by WMFR, including any use of funding from the WMFR reserves. This budget should also be posted on Meta-wiki in French and English.

1. Provide prompt and timely written notice to WMF if WMFR chooses to disqualify any candidates from the September election to the board, providing the reason for such disqualification.
2. Confirm that a General Assembly is held on September 9

WMF expects that the general assembly will be conducted on September 9. This meeting should be conducted following the organization's bylaws and rules of procedure. After the meeting, WMFR should have effective and legitimate board members, who are open to constructive relations with the WMF.

1. Open up member communication channels

Please provide WMF with a plan to open up communications on the chapter's membership mailing list. WMFR should provide an open environment for member communications, including allowing communications among the membership, with moderation only where it is appropriate.

1. Meet the promises made to the Foundation during the site visit

If the chapter does not proceed with the organizational changes promised to WMF during the site visit, WMF retains the right, in its sole discretion, to terminate further funding.

**Payment 2**: WMF anticipates WMFR will meet the following requirements by October 31, 2017 and be eligible to receive a further payment of 114,333 EUR:

1. Cooperate with a governance review

WMF will provide a set of recommended experts, and seek WMFR's agreement to engage an expert and start the review of the organization. We appreciate WMFR's cooperation, and expect to make reasonable progress on the review in October.

1. Provide a leadership recruitment and development plan

In order to prepare for the general assembly on October 22, WMFR should prepare a plan that includes an outline of skills that the board is seeking in board candidates, a plan for outreach to recruit suitable candidates, and a list of potential candidates. WMFR should provide this plan to WMF as evidence of progress toward stable long-term governance.

The chapter should consider other interim leadership positions where it is appropriate. WMFR should have effective and legitimate board members and staff leadership.

1. Confirm to WMF that Marie Alice Mathis or Samuel LeGoff will not resign until after the completion of the governance review

WMF expects the organization to seek stability and continuity in leadership. WMFR should ask Marie Alice Mathis and Samuel LeGoff not to resign from the board early during the course of the governance review. If a board member plans to resign, WMFR must provide prompt notice and an explanation to WMF.

1. Hold a General Assembly on October 22, following the organization's rules

WMF expects WMFR to hold a General Assembly on October 22. This meeting should be conducted following the organization's bylaws and rules of procedure. At this meeting, the chapter should allow the membership to elect new board members to fill any vacant seats.

1. Maintain open membership communication channels.

WMFR should continue to allow open communication among members, following the plan provided in September.

1. Meet the other promises made to the Foundation during the site visit.

WMFR should continue to follow the representations made to WMF during the site visit, including planning for non-disruptive leadership transitions.

1. WMF may propose additional conditionsfor the second installment, based on WMF’s assessment of the situation at that time, if deemed necessary by WMF, based on WMFR’s progress and other developments.

**Payment 3**: WMF anticipates WMFR will meet the following requirements by January 31, 2018 and be eligible to receive the final payment of 142,917 EUR (the remainder of the funds provided under the Grant Agreement):

1. Implement (or be making significant progress, as determined by WMF) the recommendations from the governance review to WMF's satisfaction
2. Provide WMF a report describing the governance improvements within the chapter
3. Provide their regular mid-year progress report on grant-funded activities

We believe that good governance is essential and necessary for any chapter that seeks to be entrusted with significant funds from the Wikimedia movement. We very much appreciated the chapter's cooperation during the site visit in July 2017. We want to confirm again our intention to support the chapter as it makes progress towards meeting these requirements. We ask that you reply in writing within the next seven days confirming that you can meet these expectations.

Once we have your agreement, we would like to develop a joint statement from WMF and WMFR to the movement in support of the Wikimedia community in France. We believe this statement would benefit all parties. This statement would be a strong step we could take together demonstrating our shared commitment to the health, continuity, and success of the Wikimedia movement in France .

If you have any questions, please feel free to contact me.

Sincerely,

Katy Love, on behalf of the Wikimedia Foundation

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