API3 DAO Operations Team Proposal

Team: Operations
Operations cycle: #7
Period: 1 May 2022 – 31 July 2022 (3 months)
Amount: $ 95,168.05
Destination: Gnosis Safe (Multi-sig Wallet)
address 0x00128492458fdB7f50ffE655153Bc91aE06e00F5
Signers:

- Mark - 0x439A2D8c08751aD4E8130c2585c7108FD3957f0C
- Mason - 0x98f1d35bB3A4570AeAa601aA3eB54d8fc7aB37e1
- Emily - 0xD78C5F70cD91Da7433329552c720f7F65FA1760e
  - ⅔ signatures needed in order to make a transaction.

Scope

The Business Operations Team has the responsibilities outlined below. The scope of the project will vary periodically, and this list represents the current state. Much of the current scope remains similarly aligned with previous cycles, and any new developments are specified within this proposal. While much of the Operations Team responsibilities are consistent between cycles, there is also an increasing element of process building and defining organisational architecture in new areas as needs arise on an Ad Hoc basis. Any responsibility laid out in this proposal that seems beyond the scope of the Operations vertical should be considered as something newly identified where foundational processes are currently being defined before they are then either passed off to relevant verticals or new verticals become structured and are then open to new team proposals for adoption. This essentially serves as a way to fill gaps and set other teams up for success, but most of these processes are built in collaboration with other verticals.

Responsibilities

- Oversee general project development, including continuous facilitation of inter-vertical visibility
  - Align operations across verticals with project mission and objectives
  - Coordinate key operations and facilitate effective collaboration between teams across verticals
    - Continuous process building within CRM tools
    - Continuous process improvement and process building organization wide
    - Define, structure, and build new roles where gaps or needs arise
  - Steer execution
- Maintain, monitor and operate infrastructure, including:
  - Mail server
  - Drive repository
  - Web servers
  - Websites
  - Security of infrastructure (Cloudflare etc)
  - Cloud backups
  - Communication and operations tools/platforms - Trello, DocuSign, etc.
- GDPR compliance oversight and maintenance

- - ○ Subject Access Requests
    - ○ GDPR Audits
    - ○ Training
    - ○ Regulatory contact and management point
  - ● Facilitate DAO onboarding
    - ○ Access to API3 operational infrastructure, provisioning of new users/contributors
    - ○ Operational user accounts for performance of tasks - permissions etc
    - ○ Access to and ongoing development of training resources and educational materials
  - ● Business Documentation
    - ○ Design, maintenance, curation, and auditing as required
  - ● Legal and Compliance Services
    - ○ Correspondence and negotiations with service providers, auditors, developers, partners, external counsel, partner projects and entities
    - ○ Ad hoc agreement drafting and negotiation
    - ○ Compliance and regulatory research and communications
  - ● Additional Operational Tasking as required (ad hoc)

Requested Funds

Item	Amount (USDC)
Grants	$ 89,625.00
Expenses	$ 41,825.95
Less Cycle 5 Balance	$ 36,282.90
Total	$ 95,168.05

Team Grants & Accounting Structure

Member	Role	May	June	July
Heikki	Strategy	0.00	0.00	0.00
Mark	Systems	5,000.00	5,000.00	5,000.00
Erich	Legal	2,500.00	2,500.00	2,500.00
Mason	Lead Operations	4,375.00	4,375.00	4,375.00
Emily	Systems & Processes	7,500.00	7,500.00	7,500.00
Greg	CRM Admin Analyst	2,500.00	2,500.00	2,500.00
Brandon	Account Management Coordinator	5,000.00	5,000.00	5,000.00
Laura	CRM Systems Analyst	3,000.00	3,000.00	3,000.00
Grant Subtotal		**29,875.00**	**29,875.00**	**29,875.00**
Expenses				
Chain API Reimbursements (subscriptions)				
Business Development				
Monday.com		$ 140.00	$ 140.00	$ 140.00
	Subtotal:	$ 140.00	$ 140.00	$ 140.00
Development				
Monday.com		$ 20.00	$ 20.00	$ 20.00
	Subtotal:	$ 20.00	$ 20.00	$ 20.00
Integrations				
Monday.com		$ 80.00	$ 80.00	$ 80.00
	Subtotal:	$ 80.00	$ 80.00	$ 80.00
Marketing				
Monday.com		$ 100.00	$ 100.00	$ 100.00
	Subtotal:	$ 100.00	$ 100.00	$ 100.00
Operations				
Monday.com		$ 120.00	$ 120.00	$ 120.00
Cloudflare		$ 200.00	$ 200.00	$ 200.00
Cookiebot		$ 10.48	$ 10.48	$ 10.48
Slack		$ 468.14	$ 468.14	$ 468.14
Google Pay		$ 120.00	$ 120.00	$ 120.00
Google Cloud		$ 750.00	$ 750.00	$ 750.00
	Subtotal:	$ 1,668.62	$ 1,668.62	$ 1,668.62
Legal & Consultation Fees		$ 2,000.00	$ 2,000.00	$ 2,000.00
WorkDAO hypothetical Operating expense (15% of US contributors total salaries - $63,550)		$ 9,532.50	$ 9,532.50	$ 9,532.50
Miscellaneous Administrative Expenses (10% of Expenses)		$ 400.86	$ 400.86	$ 400.86
Expenses Subtotal		**$ 13,941.98**	**$ 13,941.98**	**$ 13,941.98**
	Forecasted Monthly Subtotal	$ 43,816.98	$ 43,816.98	$ 43,816.98
Cycle #7 Projected Total				$ 131,450.95
	Less Remaining Balance from Prev. Cycle			$ (36,282.90)
Total				**$ 95,168.05**

The destination for this proposed budget is a multi-sig wallet address managed by Mason, Emily, and Mark via Gnosis Safe.

Expenses

For Cycle #7, there are a few main changes to operational expenses:

In the last cycle Jon Stevenson of Kooperman Mentel Ferguson Yaross, Ltd., began to serve as legal counsel for ChainAPI, Inc. (the entity building ChainAPI.com, a Web3 API integration platform built around the API3 ecosystem), a strategically important ongoing service provider for API3. During this time Jon has been invaluable to the API3-ChainAPI relationship in ongoing corporate structuring of new US service entities for various purposes aimed at serving the API3 DAO while maintaining clear cut regulatory compliance.

Along with the aforementioned work being done towards creating and maintaining service entities that allow for the API3 DAO to operate in an efficient and regulatorily compliant manner is specifically via employment services for new and existing United States-based contributors to the DAO. This has been decided on as a higher than average risk area that has taken precedent in this area. As per prior legal and consultative advice, we have decided to start the process of engaging a third party entity called WorkDAO to help scale and formalize US-based contributor onboarding and compliance via an intermediary service provider entity.. While this will have a negligible impact on the day to day operations of the DAO, it will require additional costs to ensure the continued compliance of the API3 Foundation while simultaneously improving the experience for US contributors. Moving forward, all U.S. based contributors will be employed under WorkDAO, who will provide employment services, tax withholding, group health insurance, and human resources for these contributors. This will reduce the complexity and tax burden that U.S. based contributors would otherwise realize, while further ensuring avoidance of any US tax or employment establishment of the API3 Foundation. This decision has been well received among existing contributors, and the desire to spread this opportunity to all DAO members is something we wish to roll out in the future. This will also equate to an additional structural change to proposals, where the employer tax burden, possible healthcare benefits, and operating expenses that WorkDAO incurs will need to be added to any U.S. based contributor that operates on a given team across the API3 DAO. While it was our hope that this move would be finalized before this current proposal, the transition and negotiation on WorkDAO's fee structure is still being negotiated and is currently in process. We project that this will equate to an additional 10-15% increase in grant funding needs per United States based contributor, and thus have added that cost to the current Operations budget proposal as a temporary placeholder. Once these aspects of our engagement with WorkDAO are negotiated and completed, any funds allocated in this budget for this purpose will be distributed to all other teams that have U.S. contributors on them. In the future this will be reflected in the operating costs of each team's budget as an additional line item.

In addition to the above changes, we have been heavily involved with Armanino, a consulting firm tasked with aiding the API3 Foundation, and all relevant service provider entities the Foundation has dealings with. One main change to this engagement has been in accounting and bookkeeping infrastructure. It has been determined that the scope of these services do not justify the quoted costs from Armanino, and so we have decided to take these processes in house. All bookkeeping and accounting infrastructure process

development is currently being devised by Mason, with Jon advising on best practices as needed. Armanino will however still be engaged with tax filings and tax related services for service entities that serve the DAO and this is ongoing. The approximate costs of which have not exceeded $2,000 nor do we anticipate any significant increases to occur.

Since we have moved our CRM processes from Salesforce to Monday.com we have received a high degree of internal feedback that has been very positive. The new CRM tool is not only easier to use, but is much cheaper and more robust with regard to process development, automation, and maintenance, which is and will continue to be ongoing. The CRM process development efforts have been championed by Emily with assistance from Greg.

Additionally, Emily has been paramount to the DAO's structuring and creation of subscription based financial modelling for Beacons within the CRM tool, which follow a process that is non-traditional in nature and revolves around novel value creation concepts that are inherently tied into the tokenomic structure of the DAO as a whole. More information will be provided on this as it is further developed, and all work currently being done on this is iterative and ongoing.

Due to the ever-evolving nature of organizational support as the DAO grows, a 10% overage rate is applied to the Cycle #7 budget as it has been in past budgets. This is to hedge against unforeseen miscellaneous or external legal or consultation expenses. Any amounts left over in the end of Cycle #7 will be applied to the following budget cycle, which also serves as an adequate buffer for the time-cost of making the proposal and waiting for it to pass or requiring resubmission before being able to pay for mission critical infrastructure in a timely manner. This approach has been working well every cycle since it was implemented, and has allowed us to manage unforeseen expenses as intended. Thus far, this has also helped the Operations team avoid any deficits in grant funding while ensuring any surplus in grant funding is small and rolled over into the next cycle as expected.

Deliverables will revolve around increasing the quality and effectiveness of verticals DAO-wide through continued support while aiding in the reduction of costs and inefficiencies where possible as the DAO evolves. The team at its core believes that it is always better to work efficiently, and so most of our endeavours revolve around reducing costs and increasing the quality of our overall output.

Deliverables

The majority of the team's work is a regular series of daily operational tasks and management of internal business resources built to facilitate the successful business functions of API3 on a daily/weekly/monthly basis. These relate to the maintenance and operation of critical tools, infrastructure, and regulatory compliance requirements such as GDPR, privacy, security etc. Most granular details are confidential by necessity for legal and operational reasons by request from counterparties.

Additionally, the operations team has been designed to serve as a readily available support vertical to all other API3 DAO teams. This means that the team plays an active role in identifying gaps and strategic initiatives, and then defines and builds the processes and

structure needed to adapt to or fix an observed inefficiency or problem. As such, deliverables will revolve around increasing the quality and effectiveness of verticals DAO-wide while aiding in the reduction of costs and inefficiencies as the DAO evolves and grows.

Cycle #6 Deliverables Achieved - *Much of our efforts have been ongoing and new items are incorporated into these deliverables when relevant. Deliverables previously mentioned in past cycles and also in this current cycle indicate ongoing and iterative collaboration aimed at continuous improvement of existing processes and workflows.*

- Operational support provided to the Integrations, Marketing, and Hackathon teams.
- Guidance and collaboration to facilitate various restructuring measures based on internal and external feedback to better suit the needs of other verticals, including the transitioning of our CRM tool from Salesforce to Monday.com, which is still and will continue to be ongoing and iterative in scope.
- Continued work regarding translation of the interdependencies of verticals into CRM needs.
- Developed relevant internal processes to maintain data retention as the new CRM tool was implemented.
- Continued assistance and support of the Business Development vertical with outreach and data retention and tracking efforts regarding the recent roll out of Beacons.
- Maintained and managed existing processes - marking and addressing areas for improvement as needed.
- Facilitated event planning and logistical needs for ETHDenver.
- Helped to coordinate and procure videography efforts for the Marketing team to utilize during the ETH Denver Hackathon.
- Continued drafting/negotiation/implementation of Enterprise proofs of concept and Airnode integrations.
- Promulgated memos and articles on API3 DAO governance contract and legal entity wrapping retrospective; other regulatory research and writings on general liability mitigation.
- Onboarding new contributors and ecosystem projects, drafting necessary Grant/Contributor/Service Provider Agreements.
- Drafted Service Coverage Terms and Conditions, Policy Documents, and Submission Templates.
- Researched and analyzed accounting flows between API3 and ChainAPI in order to assess and decide against the engagement of Armanino for these needs.
- Began the process of building bookkeeping and accounting infrastructure for maintenance in house, saving high costs associated with outsourcing these needs.
- Started the negotiation and engagement process with WorkDAO for U.S. based contributors that serve The API3 Foundation in order to mitigate regulatory risk associated with incorrectly identifying the DAO as an employer.
- Continued engagement with Jon Stevenson who has been providing ongoing consultative and legal support for ChainAPI.
- Began the construction and ideation of new service entities that will serve the DAO for various needs such as vendor management, employment services, etc.

- Provided business development support via networking and collaboration with a variety of Enterprises, API Providers, Entrepreneurs, and Startups within Mason's network, which continues to be ongoing.