

SifDAO Proposal: 6 Month Compensation Framework

Summary

This is a signaling proposal which seeks SifDAO's approval of a compensation framework for the DAO for the next 6 months. As a signaling proposal, this proposal's sole intent is to be used as a reference in future community-pool-spend proposals that request & transfer funds.

This framework estimates 1,431,781.5 ROWAN per month to be split between four categories of contributors, contingent upon SifDAO's approval each month on a case-by-case basis. The four categories are: the Validator Delegation council, DAO members completing bounties and grants, the Token Listing Council, and Sifchain Ambassadors.

If the monthly ROWAN allocation were evenly distributed between each group, each group would receive ~357,945 ROWAN to distribute amongst themselves.

Details

Compensation is necessary to incentivize sustained contribution. The intent of this proposal is to reach consensus in the DAO about how to leverage the community pool in the coming months.

The Sifchain community pool is composed of [8,590,688.724 ROWAN](#) as of June 28, 2022 4:37 PM. As such, we propose using the ROWAN in the community pool at the time of writing to create a 6-month framework (with the potential to replenish the pool from the ecosystem fund in the future), which will enable sustained operations for the four primary groups of contributors.

By dividing the ROWAN in the community pool by 6 (6 months) we find that the DAO is able to spend ~1,400,000 ROWAN per month.

Contributor Categories

This section defines the categories included in the compensation framework. These categories may change in the future based on the needs of the DAO.

Contributor Group	Number of Members
Validator Delegation Council	5
Token Listing Council	4 (soon to be 5)
DAO Members completing bounties and grants	n/a
Sifchain Ambassadors	6

Compensation Process

The compensation process is defined below. Each category of contributors will submit their own community-pool-spend proposal every month.

<i>Proposer</i>	<i>Type</i>	<i>Frequency</i>	<i>Questions answered within the proposal</i>	<i>This proposal passes when...</i>
Contributor from one of the four categories	Community Pool Spend	Monthly	- What contributions are being compensated? - What is the requested funding amount?	Quorum for on-chain proposals is reached AND the majority of votes are yes AND no more than 33% of votes are no-with-veto

If the community agrees to compensate the group through standard on-chain governance, the process for dispensing the fund will be as follows:

- Contributor raises a proposal: A group of contributors raises a community-pool-spend proposal, specifying their contribution that month as well as the requested funding amount.
- Community Pool Spend passes: The proposal has passed the standard on-chain governance vote. This means that it has reached quorum, the majority of votes are yes, and less than 33% of votes are no with veto.
- Funds delivered to trusted distributor wallet: After the proposal passes, the funds are automatically distributed to the wallet specified in the proposal. This is called the "Distributor Wallet" and it is a holding-wallet for the funds until they are distributed to the individual contributors. This wallet is controlled by either a multi-sig or a trusted party nominated by the contributor.
- Contributors use coordinape.com to determine compensation percentage per member: Coordinape is a tool that lets each contributor within a group to allocate rewards to their peers. In the SifDAO compensation process, groups of contributors that raise a proposal together will use coordinape to allocate a percentage of the group's total compensation to each individual contributor.
 - Please note that we will use symbolic tokens within coordinape to signify percentages of the ROWAN to be allocated.
- After the rewards are allocated via coordinape, the distributor will disperse the funds to each contributor in accordance with their allocation on coordinape.
 - EXAMPLE: Sif gives Thor 33 out of the 100 SYMBOLS that she is able to allocate. This means that Thor earns 33% of the total compensation for that month. We then calculate $\text{contributor_coordinape_percentage} * \text{group_monthly_total} = \text{contributor_compensation}$. In this example we find: $.33 * 357,945 = 118,121.85$ ROWAN will be distributed to Thor.

Terms

If this proposal passes, it signifies the DAO's approval of the framework but does not guarantee the compensation amounts in this proposal will be transferred each month. This proposal is intended to provide a general framework, and SifDAO has the authority to approve or deny each compensation request as it arises.

While we are doing our best to plan for the months ahead, the compensation strategy may need to change if there are significant changes to ROWAN's price, the size of the community pool, or the contributor base of the DAO. We recommend keeping an up-to-date compensation framework for the DAO via future signaling proposals that amend this one.

Purpose

- To coordinate across all parts of the DAO to create a holistic strategy of compensation
- Create a plan to compensate contributors for their time & effort while allowing for emergent contribution
- Ensure the DAO has runway to operate for the next 6 months
- Set precedent by framing contributor compensation within a clearly outlined plan
- Set clear compensation expectations for DAO Contributors
- Incentivize & attract DAO contribution
- Reduce friction for dispensing compensation from the community pool to the contributors

Proposal Process

1. **[DONE] Ideation:** a member of Sifcore or the Sifchain community drafts a one-pager about the Council, including the goals, needs, and key stakeholders
2. **[DONE] First-pass feedback:** the member who drafted the one-pager holds one-on-one conversations with any existing stakeholders and new volunteers to get feedback on the draft
3. **[DONE] Formal proposal:** the proposing member uses first-pass feedback to evolve the one-pager into a Proposal to SifDAO
4. **[DONE] Community discussion:** the Proposal is shared with the community and a one-week Discussion Period begins
5. **Proposal vote:** at the end of the Discussion Period, the proposal is put to a vote
6. **Execution:** As a signaling proposal, no execution is needed