<u>Ark Community Fund (ACF)</u>
<u>Concept Paper v1.1</u>

What is the ARK Community Fund?

- The Ark Community Fund (ACF) is a fund that is run by the Ark community members. It can be seen as supplemental to the core development of Ark ecosystem and shall support the ideas and projects of Ark community members to help promote the advancement of the Ark Ecosystem.

What is the purpose of the Ark Community Fund?

- The ACF has two main purposes:

  First, is to provide a possibility to those Ark community members, that would like to support the Ark Ecosystem with contributions of ARK tokens for community purposes.

  Second, to provide a place for community developers to request funding, for projects to develop tools, software or hardware which supports the Ark Ecosystem.

Who will run the Ark Community Fund?

- The ACF will be run by Ark community members. Every community member that would like to participate in the ACF will be able to contribute and be able to vote for projects at the pre-selection stage.

- For the day to day operations and the final decisions of the ACF, 5 community members will be elected by the Ark community. These members will represent the management of the ACF and should act for an initial period of 6 months (to ensure the process is well established), after which a new election should take place.

- If a board member leaves or decides to step down within the term then an election will take place quickly to replace that member. Prior to the ACF Board Members completing the initial 6 month terms a discussion will take place with the community to look at continuous voting, as opposed to a fixed term of 6 months.

- Voting will be managed through a portal (e.g. website or forum), which will also be used for Project submission/review, board elections and project status updates.

- In case a project requires some specific knowledge (e.g. technical or coding) the ACF can ask additional members of the community or the Ark crew, which have that specific knowledge, to assist the ACF in its decisions on the projects.

- Any proposed changes to this paper, project templates or the overall running structure of the ACF will be discussed with the wider community (voted if required), on agreement any changes will be made implemented in a timely manner.

- *Board Member Elections/Voting -* will be managed by the voter(s) sending one ark to the ACF Delegate address, the voter must ensure they complete the vendor/smartbridge field by typing in the board members registered name. A web page will be created to show the board member votes and a ranking, a timer will be set for a defined election period, when the time expires, the page freezes and the results are frozen. The top 5 votes for electees will become the 5 ACF Board Members.

How will the Ark Crew be involved in the Fund?

- As the ACF is completely separated from ARK and Ark Crew members. The Ark crew will not be a part of the management or final decision making of the ACF. Nor will they have access to, or own a share of the collected ARK held by the ACF.

- However, they can provide valuable input on any projects and the overall direction of the Ark development. So the idea is to create an Advisory Board with 2 or 3 members of the Ark crew. These members can provide recommendations and/or input on projects and proposals. It would be positive to have one member with a development/coding background for any technical questions on the projects. Also to ensure no duplication of effort by the community developers and Ark developers.

Will the Ark Community Fund run it's own Delegate?

- Yes, the aim would be for the ACF to run a delegate, the ACF Delegate would need to be voted into an active forging position, like any other delegate.

- The delegate could become self funded by forging income, from community delegates sharing some of their daily forged earnings and other direct account community donations.

- The ACF funds (if forging) will be sent to escrow daily.

- The elected ACF Board Members would manage the running/maintenance of the node on a rotated basis.

- The Escrow funds/accounts would be used to vote for the ACF delegate

How will the collected funds of the ACF be secured?

- The funds will be stored in a multi-signature wallet or by an escrow, depending on the technical possibilities. It needs to be guaranteed that the funds cannot be misused by any person, or group of persons. Looking at one or possibly two multi-sig escrow accounts.

- Any/all direct donations/or delegates community fund shares should be paid directly to Escrow.

- The Escrow accounts will be managed by two trusted members of the Crypto Community.

Node Management

- To support the node, VPS's will be required and would be funded by the ARK tokens held in Escrow. Small proportion of funds would be converted to BTC to purchase the VPS's on a monthly/basis. (possibly longer if beneficial). A small wallet with 1 BTC could be retained by the Escrow holder for marketing/PR purposes etc.

- Day-to-day management of the ACF Delegate(s). At the moment the proposal is for Board Members to maintain the ACF Delegate. But a way to secure the secret passphrase needs to be discussed. The ACF funds will always be held in Escrow (except the daily forged amount, which gets transferred daily via an auto script). The multi-sig wallet ensure no funds can be transferred.

How will the proposals be shortlisted?

- The proposals will be shortlisted using the following method. People submit their proposals using a “Standard Approach or Fast Track Approach” template.

- The template will cover the basics:

    - Who requires the funding?
    - What type of project is it?
    - Description of the Project.
    - Timeline of the project.
    - Required Funding.

- Initially all projects will be voted for by the community (see next bullet point), only when this is complete would the project outline be reviewed by the ACF board and the Ark Advisory Board members. ACF board may ask questions about the proposals as to clarify any required elements. If needed the proposals can be resubmitted following the questions/clarification/advisory stage.

- Any project that offers the potential to make a profit will be considered on a case by case basis.

- *Community project voting -* will be managed by the voter(s) sending one ark to the ACF Delegate address, the voter must ensure they complete the vendor/smartbridge field by typing in the unique project reference. The ACF Board Members will collate votes/ark and the projects voted for and update the project voting web page daily.

- Once submitted, ACF Board Members and advisors will review once more to ensure the proposal is clearly defined, well-structured, and thoroughly thought out.

- The proposal will then be added to a project portal (yet to be defined), possibly a specific webpage/site setup to support the posting of Proposals.

- The proposal will then be voted on by the Ark Community. The top proposals will be selected for further scrutiny. Proposers will need to pitch their project in detail, and the ACF Board Members will have the final vote on which projects will be funded.

- Once a project has been accepted by the Ark Community, the ACF Board Members and the Project Proposer (PP) will agree on a set of measures of success/milestones before formal approval of the proposal is given.

- When approval is confirmed and funding provided, the PP will be required to submit a forecasted expenditure/burn rate. Better to be on a milestone basis than one lump sum.

- Once a burn rate and proposed project timeline has been defined and agreed upon, the following steps will apply unless otherwise defined within the PP (and given approval in writing).

MILESTONES

Medium/Large Funding Projects (STANDARD APPROACH)

Medium Projects - $501 to $2500

Large Project - $2501+

- Phase 0 – Requirements Gathering/Terms of Reference (TOR)
- Phase 1 - Cost Benefit Analysis
- Phase 2 – Proof of Concept

- Phase 3 – Detailed Design
- Phase 4 – Config/Implementation
- Phase 5 – Testing/Marketing
- Phase 6 – UAT
- Phase 7 – Launch Plan/Date
- Phase 8 – Ongoing funding for support and maintenance (if required)

Funds will be released on the successful completion of each stage of the project.

PP's will need to provide updates at each stage, before the next stage's funding is released. If the expected burn rate changes, the PP needs to submit a revised plan justifying the need for the change. If the change is minor it may just be accepted. If the change is deemed to be significant, ACF Board Members will review the need for additional funding and consider if said funding is justifiable.

Small Funding Projects - (FAST TRACK APPROACH)

Small Projects - Up to $500

- Phase 0 – Requirements Gathering/Terms of Reference (TOR)
- Phase 1 – Proof of Concept
- Phase 2 – Config/Implementation
- Phase 3 – User Acceptance Testing (UAT)
- Phase 4 – Launch Plan/Date

The funding milestones will be agreed on a case by case basis.
The fast track process will still require voting on by the wider community, before it's shortlisted for review by the elected ACF Board Members and Ark Crew Advisory Panel. Once a decision is made it will be announced via a communication method (TBD)

All projects when ready for submission to the ACF must be posted to the designated webpage (TBD).

Once a project has been successfully approved by 3 of the 5 board members (as a minimum), then funding will be released by the same members requested a release of funds by signing the multisig wallet. All funding will be tracked to ensure clarity.

With thanks to the contributors in the #communityfund channel & Ark Crew

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