**Title of the Proposal:**
GRAPE USDC Budget Allocations (GUBA) & Definition of USDC Pools

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## 1. Executive Summary

**Purpose:** The primary purpose of this proposal is to implement a structured USDC rewards program, Grape USDC Budget Allocations (GUBA), for the GRAPE DAO community. It aims to incentivize active participation in five unique work/task categories supporting critical DAO initiatives and operations through a clear, objective, and equitable incentive system that encourages GRAPE DAO member participation while supporting organizational functions, objectives, and engagement.

## 2. Introduction

The GRAPE DAO is at a crucial juncture in its efforts to establish a vibrant and active community as it aspires to set a strong foundation for its success. Observations and feedback during 2023 have shown noticeable declines in member engagement and participation. This unchecked trend can pose a significant challenge to the GRAPE community's collaborative efforts in developing innovative products and services for Solana.

This proposal adds a new dimension to the GRIP initiative approved in 2023 (which rewards members with GRAPE tokens) by adding USDC rewards for completing work in any of five unique categories/pools not covered by GRIP.

The GUBA project is another critical step in reigniting enthusiasm and involvement among GRAPE DAO members by rewarding active participation, task completion, and substantial contributions towards product and service development within the GRAPE organization.

The authors believe that the GUBA initiative can harness the full potential of its membership, leading to sustainable GRAPE DAO growth and success.

GUBA embarks the GRAPE DAO into a transformative revitalization that better prepares it to achieve its collective goals.

## 3. Definitions

- **GRAPE DAO (Decentralized Autonomous Organization):** Non-profit DAO focusing on the Solana blockchain and ecosystem in creating unique products and services and collaborating with other entities to support Solana acceptance in all industries.

- **GUBA:** GRAPE USDC Budget Allocations is a USDC incentive program that invites community members to volunteer and support GRAPE administration functions and critical tasks not covered by any other program. The GUBA Governance Team manages it.

- **GRIP:** GRAPE Rewards Incentive Pool is a token incentive program that invites community members to volunteer and support everyday operations. Its Work Perform Pool matrix is the basis for the GUBA's rubric system for determining task reward levels.

- **GUBA Pool:** Main Account/Wallet for the GUBA project. It supports five work/task reward pools, each with a different work category.

- **GRAPE DAO: GUBA Governance:** The GRAPE DAO governs the GUBA project through proposals approved by the GRAPE membership. It's entrusted with implementing the necessary accounts, funding wallets, monitoring, and managing all transactions. Only actions/tasks listed on GRAPE proposals approved by the GRAPE community can be executed or implemented.
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- **Quality Control Quorum Committee:** Group of individuals tasked with verifying completion of tasked work on the GRIP and GUBA projects, updating metrics, and writing emission proposals for community review and approval.

- **SPL-Governance:**  Is a program that allows a community to manage their own DAO (see Appendix).

- **WORK PERFORM POOL:**  A rubric system first introduced and approved for the GRIP project that uses a combination of five criteria, each with tiers, to arrive at a score that determines the reward level for a particular task. The GUBA initiative reuses this scoring system.

## 4. Proposal Details

### 4.1. Objectives

The following strategies achieve the purpose of this proposal:

**GUBA Governance and Account Set Up**

- The GRAPE DAO governs the GUBA project through GRAPE membership approved proposals that authorize the following actions:

   a. Implement appropriate accounts for the necessary GUBA pools.

   b. Designate the following accounts in support of the GUBA project:

   > For Administrative, Agility and Bounty pools:
   > 2JCmvyThwpGUhwhbzqGe5qSC5ey5koPESMfJDEQVxy24

   > For Performance and Merit pools:
   > 6jEQpEnoSRPP8A2w6DWDQDpqrQTJvG4HinaugiBGtQKD

   If different accounts are necessary for pools or reward distributions, the GRAPE DAO will submit a proposal requesting approval by the GRAPE Community.   This proposal will explain the rational behind each new account and list the wallet numbers under consideration.

   c. Maintain pools adequately funded for emissions every epoch.

      d. Update the GRAPE Community through its weekly meetings.

-   e. Ensure all merit and work distributions are executed every epoch if approved by the GRAPE community through the proposal system.

## Initial Funding of the GUBA and Work Category Pools

- The GUBA proposal will request initial base funding from the GRAPE Community.

- After appropriate proposal approvals, the GRAPE DAO will transfer $8,333,33 USDC from its treasury to the main GUBA account/wallet. These funds will remain in the GUBA pools as a base to support the first epoch's emissions..

- The the GRAPE DAO will distribute funds to the appropriate work/task category pools as approved by GUBA proposals while adhering to the POOL Percentage Maximums per epoch.

| BUDGET POOLS CONFIRMED BEFORE NEXT QUARTER (Minimum) | POOL NAME PURPOSE/OBJECTIVE | CRITERIA DEFINE POOLS PURPOSE | POOLS ARE % OF DAO VOTED BUDGET | PROPOSED EMISSIONS in USDC |
|---|---|---|---|---|
| **Grape Strategic Initiatives [Incentives USDC]** | **Pool Name** | **Criteria & Process** | **POOL Percentage (Max)** | **Emissions Monthly** |
| 1. DAO Authorized Admin & Organization (PLANNING) | DAO Org Pool | DAO Legal & Organizational Requirements | 15.00% | $ 1,250.00 |
| 2. Perform Pool [Work (Base)] (PLANNING) | Work Perform Pool | DAO Participation + Perform/Work/Admin/Metrics | 38.00% | $ 3,166.67 |
| 3. Merit Pool [Reputation/Contribute (Bonus)] (PLANNING) | Merit Reputation Pool | Contribution + Value/Treasury Growth Metrics + Reputation (NOTE: Must be equitable for New & Old members) | 12.00% | $ 1,000.00 |
| 4. Agility Pool [Strategy + Infrastructure] (PLANNING) | Agility Strategy Pool | DAO Participation + DAO Strategic Testing or Allocation or PRIZES :) | 20.00% | $ 1,666.67 |
| 5. Bounty/Grants Pool [Development] (PLANNING) | Bounty Grants Pool | DAO Vote + Dev Products/Metrics | 15.00% | $ 1,250.00 |
| *Total Emissions Allocatable* | | Allocated-> | 100.00% | $ 8,333.33 |
| *Total Remaining Allocation* | | Remaining -> | 0.00% | $ - |
| **Total Allocation Available** | | Validatoor -> | 100.00% | $ 8,333.33 |

*Image 1: GRAPE USDC Initial Budget Allocations*

- The GRAPE DAO   manages the required GUBA multi-Sig wallet accounts. However, it is only authorized to perform transfers from or to GUBA accounts/wallets if it's approved by the GRAPE community.

**The GUBA WORK PERFORM POOL Rubric:**

- A specific pool, the GUBA WORK PERFORM POOL, is defined for implementing a merit scoring system. The pool design facilitates reviewing, discussing, and assigning work performance and reward level (see Example 1 and Image 2).



*Example 1: GUBA WORK PERFORM POOL Rubric*



*Image 2: GUBA Criteria*

- A designated **Quality Control Quorum Committee** will use this rubric to determine appropriate monthly rewards for tasks completed during each period.

- Final reward determinations are reviewed monthly during GRAPE DAO meetings for community discussion and adjustment before creating a proposal detailing each member's award. If the proposal is approved by GRAPE membership, distribution goes out to the members listed on the proposal.

- Once approved, the GRAPE DAO gains authorization to send out the epoch's rewards to the eligible participants as listed on the proposal.

**Maximum Participant Rewards:**

- The GUBA WORK PERFORM POOL rubric assigns maximum rewards to eligible participants in each category (see Image 3: Maximum Monthly Reward Percentages per Category). Initially these percentages are uncapped.

- *The DAO Authorized Administration & Organization category is reserved for external Legal Services.*

| BUDGET POOLS CONFIRMED BEFORE NEXT QUARTER (Minimum) | POOL NAME PURPOSE/ OBJECTIVE | CRITERIA DEFINE POOLS PURPOSE | POOLS ARE % OF DAO VOTED BUDGET | PROPOSED EMISSIONS in USDC | Percentage % | MAXIMUM A SINGLE USER CAN RECEIVE FROM EACH POOL | PERIOD QUARTER | Target 100K USDC per year | Target 100K USDC per year |
|---|---|---|---|---|---|---|---|---|---|
| Grape Strategic Initiatives [USDC] | Pool Name | Criteria & Process | POOL Percentage (Max) | Emissions Monthly | Possible Cap % per Participant | Example Allocation Max | Months in Period | Total USDC Per Quarter | Total USDC Per Year |
| 1. DAO Authorized Admin & Organization (PLANNING) | DAO Org Pool | DAO Legal & Organizational Requirements | 15.00% | $ 1,250.00 | 100% | 1,250 | 3 | $ 3,750.00 | $ 15,000.00 |
| 2. Perform Pool (Work (Base)) (PLANNING) | Work Perform Pool | DAO Participation + Perform/Work/Admin/Metrics | 38.00% | $ 3,166.67 | 100% | 3,167 | 3 | $ 9,500.00 | $ 38,000.00 |
| 3. Merit Pool (Reputation/Contribute (Bonus)) (PLANNING) | Merit Reputation Pool | Contribution + Value/Treasury Growth Metrics + Reputation (NOTE: Must be equitable for New & Old members) | 12.00% | $ 1,000.00 | 100% | 1,000 | 3 | $ 3,000.00 | $ 12,000.00 |
| 4. Agility Pool (Strategy + Infrastructure) (PLANNING) | Agility Strategy Pool | DAO Participation + DAO Strategic Testing or Allocation or PRIZES :) | 20.00% | $ 1,666.67 | 100% | 1,667 | 3 | $ 5,000.00 | $ 20,000.00 |
| 5. Bounty/Grants Pool (Development) (PLANNING) | Bounty Grants Pool | DAO Vote + Dev Products/Metrics | 15.00% | $ 1,250.00 | 100% | 1,250 | 3 | $ 3,750.00 | $ 15,000.00 |
| Total Emissions Allocatable | | Allocated-> | 100.00% | $ 8,333.33 | Total Max Cap | 8,333 | Per Quarter | $ 25,000.00 | $ 100,000.00 |
| Total Remaining Allocation | | Remaining -> | 0.00% | $ - | Epochs | Total USDC Supply | Remaining | Total Avail | Total Avail |
| Total Allocation Available | | Validator -> | 100.00% | $ 8,333.33 | 12 | $ 100,000 | $300,000 | $ 400,000 | $ 400,000 |

*Image 3: Maximum Monthly Reward Percentages per Category*

Initially, the possible maximum per participant is uncapped (set to 100%) per category. The values can be changed by the GRAPE DAO through an proposal approved by the GRAPE community.

| GUBA Work/Task Pools | Maximum Reward Percentage per Participant Every Period |
|---|---|
| 1. DAO Authorized Administration & Organization | Uncapped |
| 2. Perform Pool (Base Work) | Uncapped |
| 3. Merit Pool (Reputation/Contribution - BONUS) | Uncapped |
| 4. Agility Pool (Strategy + Infrastructure) | Uncapped |
| 5. Bounty/Grands Pool (Development) | Uncapped |

*Table 1:   Maximum Rewards per Participant and Category*

- The designated **Quality Control Quorum Committee** ensures that these

maximum percentages are honored when determining rewards.

**Funding GRAPE USDC Budget (GUBA) Pools:**

- The GRAPE DAO will submit a proposal to authorize any necessary initial base-funding of GUBA accounts while confirming the following deliverables:

## 4.2. Methodology & Deliverables

a. Approve WORK PERFORM POOL Rubric for GUBA
b. Definition of total allocations to GUBA pools, including maximum
c. Fund the GUBA main account/s.
d. Review financial feasibility for maintaining all GUBA pools
e. Identify eligibility and requirements for participating in the GUBA program
e. Assign tasks to the GUBA WORK PERFORM POOL rubric.

## 4.3. Timeline

- The estimated timeline for implementation is one to four weeks.

## 4.4. Benefits

- The GUBA proposal formalizes the structure necessary to distribute USDC rewards for work performed by active participants supporting GRAPE DAO operations. This incentive is essential to attract engagement and expertise in critical organizational and product/services development necessary to maintain GRAPE DAO's growth and completion of time-critical tasks.

- GUBA uses a WORK PERFORMANCE POOL Rubric to maintain objectivity and fairness in determining reward levels for work completed.

- The GUBA WORK PERFORM POOL rubric sets maximum monthly reward distributions to any participant per pool/category. This rule invites more involvement among the volunteers within each category.

- The proposal sets clear expectations regarding the amount of USDC available and the logic behind its distribution. These provide transparency in decision-making to support GRAPE's strategic initiatives and ensure that all members know and understand the GUBA process.

### 4.5. Member Participation and Reward Eligibility

- Participation in GUBA is voluntary and open to all GRAPE DAO, but to receive rewards, participants must abide by the following criteria:

- Participants receiving rewards must hold (stake) at least 70% of their total $GRAPE token rewards in the GRAPE REALMS DAO. For example, suppose a participant gets a total of 10,000 $GRAPE Tokens by attending DAO Meetings or winning random prizes to be eligible to receive rewards through GUBA. In that case, the participant must have at least 7,000 or 70% of their token rewards staked on the GRAPE REALMS DAO.

- **Note:** Participating in GRAPE DAO meetings and winning prizes during these meetings are easy ways to receive $GRAPE Tokens. Another avenue is to complete tasks in the GRIP program.

- Participants can verify their standing by comparing the lifetime $GRAPE token they received with the number of tokens staked for voting on the GRAPE REALMS DAO site.

  GRAPE REALMS DAO:
  https://app.realms.today/dao/By2sVGZXwfQq6rAiAM3rNPJ9iQfb5e2QhnF4YjJ4Bip

  $GRAPE Token Rewards Table (Use the latest table for calculations)
  ~ The October-November 2023 table below provides an example:
  https://shdw-drive.genesysgo.net/vYx4ZJVLFCT2DGrA5gG2vwLnRhoWTHt3UZdxQXwDuFm/By2sVGZXwfQq6rAiAM3rNPJ9iQfb5e2QhnF4YjJ4Bip_october_november.csv

- GUBA reward distribution occurs after the prior epoch/month/period ends.

### 4.6. Work Costs Paid by Participants

Costs paid by participants for completing work/tasks associated with areas of GRAPE DAO Initiatives, Organization, Administration, Legal, Infrastructure, Product Support/Development, Services, or Bounties can be refunded by submitting an invoice with supporting documentation to:

GRAPE DAO LLC
PO Box 852
Long Island Rd, Majuro
Marshall Islands MH 96960

Any changes to the above address will be implemented by the GRAPE DAO through the proposal process and approved by the GRAPE Community.

## 4.7. Risks and Mitigations

- **Risk:** Misalignment with Member Expectations
- **Mitigation:** Gather member feedback and adjust the program based on community input to align with member expectations.

- **Risk:** Complexity in Implementation
- **Mitigation:** Simplify processes where possible and ensure strong communication between stakeholders and managing teams—document processes where needed.

- **Risk:** Financial Sustainability
- **Mitigation:** Review the program's financial impact quarterly and adjust allocations to maintain the DAO's long-term economic health.

- **Risk:** Inequitable Reward Distribution
- **Mitigation:** Ensure that reward determination is kept transparent. The GRAPE DAO should audit reward designation to ensure equity and fairness.

- **Risk**: Regulatory and Compliance Risks with Handling and Distributing USDC (stablecoin)
- **Mitigation:** Consult with legal experts in cryptocurrency and DAOs to ensure compliance with relevant financial regulations.

- **Risk:** Dependence on Active Participation
- **Mitigation:** Implement engaging marketing and outreach strategies to boost and maintain high participation.

- **Risk:** Security Risks to GUBA Pools/Wallets
- **Mitigation:** Use multi-Sig wallets for GUBA pools and perform security audits to avoid hacks or unauthorized access to these funds.

- **Risk:** Impact on DAO Culture/Values: From Collaborative Contribution to Financial Gain
- **Mitigation:** Foster community collaboration, innovation, and communal success over financial gain. Create recognition programs for members.

## 5. Financial Implications

- GUBA Budget Breakdown: https://docs.google.com/spreadsheets/d/1WmedROmZRENATKx4bUfn5beK OQn7GdyyYuiHhIF61fQ/edit#gid=966878815

| | |
|---|---|
| Budgeted USDC Supply (GRAPE DAO Treasury): | $400,000.00 |
| Initial Set Up (GUBA Pool Base Allocation): | $8,333.33 |
| Quarterly GAPE DAO Contributions: | $25,000.00 |
| Possible Monthly Reward Distributions: | $0 to 8,333.00 |

Table 2: Overview of Initial Funding, Monthly GRAPE DAO Contributions, and Possible Distributions

- Not all GUBA pool categories will have participants or have work completed every epoch (monthly). This situation could lead to reward distributions under $8,333.00 per month.

| GUBA Work/Task Pools | Initial Status |
|---|---|
| 1. DAO Authorized Administration & Organization | ACTIVE-Reserved For Legal |
| 2. Perform Pool (Base Work) | ACTIVE |
| 3. Merit Pool (Reputation/Contribution - BONUS) | ACTIVE |
| 4. Agility Pool (Strategy + Infrastructure) | ACTIVE |
| 5. Bounty/Grands Pool (Development) | ACTIVE |

Table 3: Initial GUBA Pools Status

- The following graph shows the monthly and quarterly GUBA USDC allocations per category. An maximum monthly amount is $8,333.00 USDC and the quarterly amount is $25,000.00 USDC. A total of $100,000 USDC is budgeted annually for the GUBA project.

*Image 4: Monthly & Quarterly GUBA USDC Budget Allocations*

- To avoid excess allocation, the funds contained in the GUBA pools will always be at most one quarter or $25,000.00. The GRAPE DAO will adjust monthly/quarterly contributions accordingly.

- In addition, the GUBA proposal sets aside $2500.00 USDC to cover annual registration expenses for the GRAPE DAO entity.

## 6. Voting

### 6.1. Voting Procedure

- Voting follows the rules set on the GRAPE Network except as noted in sections 6.2 and 6.3 of this document.
https://docs.grapes.network/grape-network/grape-dao/proposals-and-voting

- The duration of the voting period is five days.

### 6.2. Quorum Requirements

- The required participation for a valid vote is 4% of the circulating GRAPE token supply (currently set at 999,979,939.042 * 22%) or a total 8.8 Million GRAPE Tokens.

### 6.3. Majority Requirements

- This proposal requires a majority vote for its approval.

## 7. Conclusion: A New Era of Participation and Growth for GRAPE DAO

The GRAPE USDC Budget Allocations (GUBA) proposal is critical in revitalizing the GRAPE DAO. GUBA promises to enhance member engagement through a transparent, equitable USDC rewards system. It's a strategic step necessary for proper DAO functionality and for fostering a cohesive and active community. Here are the highlights:

- The GUBA's system builds on prior rewards initiatives (GRIP).

- GUBA is crucial for the growth and maintenance of GRAPE DAO operations.

- GUBA's proposal establishes additional robustness and stability for the GRAPE DAO by providing a clear structure for motivating engagement in crucial DAO tasks while rewarding membership with USDC.

-  GUBA outlines an easy-to-understand process that facilitates participation.

-  The GUBA proposal identifies its risks and provides mitigations for each risk.

- GUBA predefines allocating funds to each pool and sets reward limits for each participant per category while making reward determination straightforward and transparent.

- The WORK PERFORM POOL operates on a rubric scoring system, making completed task evaluations fair and objective.

Your vote is crucial in continuing to transform the GRAPE DAO's collective vision into reality.


## 8. References and Additional Resources

-   GRIP Rewards Incentives Pool:
    https://dao.grapenetwork.org/t/proposal-grape-rewards-incentives-pool-grip-define-allocations-and-start-work-perform-pool/1277

- GRIP v2 Emissions Templates:
  https://docs.google.com/spreadsheets/d/1C1G6lGdoLqDW9vYYROoK6d5osMfU5omRHemSg3M5VqI/edit?usp=sharing

- GUBA Budget Breakdown:
  https://docs.google.com/spreadsheets/d/1WmedROmZRENATKx4bUfn5beKOQn7GdyyYuiHhIF61fQ/edit#gid=966878815

## 9. Appendix

- Realms Documentation:   https://docs.realms.today

- SPL-Governance:
  https://github.com/solana-labs/solana-program-library/tree/master/governance