We are very excited to see community identify useful tooling and application for the network and propose solutions that are beneficial for the long term health of the network. On-chain governance is new for us, and we're collectively establishing norms with each proposal and vote. That's why it's important to have an open discussion on processes and best-practices.

There has been work around best practice governance proposal by [Figment in the Cosmos ecosystem.](#) Having considered recent proposals, here are my suggestions for how to think about spending the community pool

Observations about proposals:

- Off-chain discussion with numbers:

1 week decision period is too short to vote on such proposals which require a longer discussion. I think we should have more off-chain / forum discussion before proposals are submitted as network proposals. Once a proposal is posted on the forum, it should include a budget, not just the proposal itself. This allows community to react and discuss proactively.

- Milestone based approach:

When applying for community funding, I encourage ecosystem participants who are submitting these proposals to have milestones. I also urge that funds be distributed based on completion of the milestones. For example, when a proposal is submitted there are 3 milestones (last one being completion of all tasks), if a proposal is approved, the first payment is done after the approval and the other disbursements are conditional to completion of subsequent milestones.

This ensures that teams have the incentive to follow through their work and ensure proper use of community funds. This also provides team an initial budget to start their work. I realize that the current community spending module does not accommodate milestone based approach. In order to overcome this, we can consider two approaches:

- submissions can be made for small amounts and shorter milestones. With a longer vision, budget and time horizon in mind. For example, I can ask for 100K SCRT for the first milestone of a project that I have propose a budget for 300K SCRT. I would detail what I want to achieve in milestone 2 and 3 but really focus on getting very specific on milestone 1

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- Funding can go to an independent organization that distributes the funds as milestones are achieved.

- Detailed time-specific description of milestones / deliverables:

I do not see timelines in some of the applications. It would be great to tie deliverables into milestones and set time estimates around these deliverables. Without timelines, it is very hard to assess the success of the process. For example if a product takes 2 years to build it's probably not the best use of community spending at this moment (just an illustrative example)

- Use-of-funds:

It would be great to have more information on:

- How will the funds be used?

- How long will the funds last?

- How does the team continue to provide value to the network / maintain the project after the funds are used?

- Type of the project and funding mechanism:

How do we distinguish between projects that are purely serving the community (open source tools like a testnet) vs. product / application ideas that are for-profit. While the success of an application is valuable to the entire ecosystem, it's different than a community tool. Do for-profit entities have a way to contribute back to the community pool? Maybe the secret contract collects funds and some of them are directed to the community funds. Do we want the community pool to be seed funding for application ideas or a small grant to get a project going and give them the opportunity to make progress and raise external funding?

Observations about voting:

- Currently all the votes we have are yes

. This may be because participants feel it's not worthwhile to vote abstain

or no

. Or it may be because participants don't feel comfortable saying no in a way that's visible to the network and hurt relationships with the proposers. This to me shows how important it is for us to integrate [Secret Voting](#) module in the future.

- When I am voting personally, I think is it something that I would have paid for out of pocket (partially). This is how we should think about these proposals because community pool is staking rewards that validators are foregoing

My main feedback is that we need a better process to make sure the community pool is spend in the best way possible. These funds belong to the community and we should ensure that proposals pass a high standard of assessment before getting approval.

These are community funds and it's up to the community to decide. I don't mean to discourage anyone. I am just offering my feedback. Please let me know what you think, if you disagree with me let me know. This is our community and together we will make it stronger!

Cheers