title: [ARFC] Aave Finance Steward

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Summary

Building upon the success of the Risk Stewards, this publication proposes creating a smart contract to enable “Finance Stewards” to execute on behalf of the DAO pre-approved and budgeted operations.

This proposal also marks a step forward in defining the asset management framework for Aave DAO, as introduced in the TokenLogic and karpatkey service provider proposal.

Motivation

To progressively streamline the management of the Aave DAO’s funds by shifting approved ARFC proposals from on-chain vote to a trusted Finance Steward implementation.

The Finance Steward is a smart contract that will act as admin of the collector, it can do the exact same operations as the DAO Executor. The DAO has full ownership of the contract which grants it the ability to delegate permissions and budget specific actions to a Guardian, the Finance team.

The Finance Steward will enable the DAO to define a core set of financial capabilities to be carried out within strict role-based guardrails. As the role matures or new use cases arise, we plan to bring forward additional capabilities for the DAO to discuss.

Efforts not included in the Finance Steward or being developed will still be covered through the normal governance process. This may include the recommendation to introduce purpose-specific safe multisigs with the intent to minimise governance burden (e.g. ALC, APE, etc…). This design will map frequent key finance operations to a role-based governance-controlled solution, frequent but long-tail use cases to trust-minimised and efficient multisigs; and important, infrequent or strategic discussions to the full governance process.

It is relatively simple for the Aave DAO to grant granular control over the management of various parameters to Finance Stewards, but the complexity comes in term of decentralisation and self-protection of the protocol.

The initial introduction of the Finance Steward role will enable the tasks detailed in the Specifications to be performed.

Specification

Finance Steward v1.0 (Mainnet Only)

The initial Finance Steward implementation will work the following way:

- A FinanceSteward

smart contract will be created with an Owner and a Guardian. The Owner will be the DAO.

- Guardian of the FinanceSteward contract will be a multisig with multiple signers, to be determined by the DAO.
- The Collector Contract will be upgraded to have a system of roles whereby the same admin role can be held by multiple addresses, eg: FUNDS_ADMIN by the DAO’s Executor and the FINANCE_STEWARD by the multisig proposed earlier.
- Guardian can migrate assets from v2 and deposit into v3 to support seamless migration of the DAOs assets over time.
- Guardian can be granted the ability to use the Aave Swapper to exchange assets held in the Treasury
- Guardian can withdraw and deposit into V3.
- Guardian can be granted the ability to transfer and stream tokens to pre-approved addresses within a budget, for example:
- ACI Frontier Program
- ACI Merit Program

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- ACI Merit Program

The functionality will have the following limitations, enforced on-chain:

- For each Aave market reserve, a minimum balance will remain in the collector
- Tokens to swap to will be pre-approved by the DAO
- Addresses to transfer to will be pre-approved
- Tokens to transfer out of the Collector have a pre-defined budget set by the DAO

Future Phased Functionality Introduction

The following permissioned functionality is intended to be gradually introduced over time to further streamline the implementation of the DAO's financial transactions.

- AAVE Protocol interactions in cross-chain deployments
- Bridging from and to other chains

Some of the above updates are pending other contracts to be delivered.

Disclosure

TokenLogic and karpatkey receive no payment for this proposal. TokenLogic and karpatkey are both delegates within the Aave community.

Next Steps

1. Gather feedback from the community.
2. If consensus is reached on this ARFC, escalate this proposal to the Snapshot stage.
3. If Snapshot outcome is YAE, escalate this proposal to AIP stage

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