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The purpose of this report is of two-fold:

Part 1: Descriptive Report

This section outlines the operations and programs with UAC oversight and provides a financial recap of account balances and expenditures.

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- Preface and Background
- Collaborating with Target Chains
- Escrow and Oversight for DAO Programs and Working Groups
- Multisig Operations
- Accounting and Financials
- Uniswap Revitalization and Growth Program Campaigns
- Incentive and Liquidity Matching
- Deployment Record Management
- Community Call

Part 2: Request for Comment (RFC)

Based on the information from Part 1, this section proposes a 7-month renewal of the UAC for Season 3 and requests rebalancing of program accounts under deficits. The renewal and the rebalancing aspects will both be conducted as two separate temperature checks.

Part 1: Descriptive Report

Preface and Background

Over the past season, the UAC has organically taken on an expanded role within the DAO. In addition to our [original mandate](#) to "...liaise with projects seeking to deploy Uniswap; ensure deploying projects are correctly configured; and providing a recommendation to the community on whether to approve certain deployments", we added a focus on managing official [deployment subdomain records](#), driving market share by deploying incentives as part of the Uniswap [revitalization and growth](#) program (URGP), and scaling DAO operations by serving as an oversight and escrow committee for other DAO programs.

The focus on driving market share in particular has proven consequential for the committee. We've deployed over \$4M of DAO-funded UNI, with over \$1M in matching funds from partner chains. This area of focus has demanded operational rigor from members, including a very high level of availability, the capability to create and audit complex onchain transactions, managing working groups' financials, and strong business development skills. This season also added other overhead like accounting, logging transactions, and managing multiple multisigs.

This report outlines the operations behind the UAC from this previous season, along with an update regarding the financial situation of DAO programs and working groups. The last section will act as the request for comment (RFC) to renew the UAC and balance accounts.

Collaborating with Target Chains

Since Season 1, the UAC has been central to facilitating the deployment of Uniswap on numerous alternative EVM environments. We work closely with these target chains, helping them create their RFCs, provide resources for deploying relevant contracts, and walk them through the governance process for attaining the DAO's stamp of approval. During

Season 2, Rootstock, Zora, Blast, Mantle, Sei, Manta , Taiko, and Redstone have all been onboarded by the DAO—and existing deployments have received between \$250k - \$1M of liquidity incentives.

Whenever a new chain onboards Uniswap into its ecosystem, the UAC is involved in overseeing and detailing that chain's financial commitment to Uniswap. This primarily comes in the form of incentive or liquidity matching. One of the stipulations that the DAO has informally agreed on is giving priority to target chains that match Uniswap's onboarding package. The onboarding package was introduced by the GFX Labs team in February 2024, and it can be split into three main parts:

1. UNI Incentives
2. Incentive Distribution Costs
3. Front-end Integration

The go-to provider for distributing funds has been Merkl—they take a 3% fee on the amount of incentives distributed, and if we're looking to deploy incentives on a chain that they haven't integrated yet with, the DAO must pay an integration cost of \$21.6k.

The go-to front-end for allowing users to actually use Uniswap v3 has been Oku. Their team charges a total of \$105k per integration. Oku also handles the backend contract deployment and verification process. Some teams, namely Zora and Redstone, decided to collaborate with Protofire for deploying the v3 contracts. Redstone also used AW House for setting up their front-end. The UAC has had to be more hands-on with new entrants, assisting with the governance and contract deployment process. As soon as a team has experience with one deployment, the following deployments become much easier to handle.

Some target chains have been fortunate enough to attain a spot on the canonical [Uniswap.org](https://uniswap.org) front-end—however, we can never guarantee that a target chain will be able to receive such a spot. Depending on the need of the target chain, we will refer them to the above list of experienced deployers and front-ends. This list may over time expand as more providers enter the space. The UAC had conversations with the DapDap team, for example, to potentially increase the breadth of DAO-approved front-ends. Their team [released a proposal](#) asking the DAO for funding a handful of existing v3 deployments. This proposal never went to vote as the DapDap team felt a degree of hesitancy from the DAO around funding the program. As they are needed, the UAC will continue having these types of conversations going forward.

Escrow and Oversight for DAO Programs

Maintaining lean—yet secure—operations is vital for any DAO. One of the ways DAOs run into operational and accountability issues is when treasury funds are haphazardly spread across various wallets. It's more constructive to elect a trusted group of contributors, assigned with the responsibility to track and custody the DAO's funds. The creation of new working groups or the approval of treasury-funded programs typically requires administering payroll or deploying funds for various initiatives. These operational responsibilities have largely been diverted to the UAC.

The UAC currently administers incentive distribution for the URGP—plus escrows and distributes payroll for the Delegate Compensation initiative, Uniswap Treasury Working Group, and the Delegate Reward Working Group.

Multisig Operations

For the most part, the UAC uses two multisigs to conduct its operations:

- Primary UAC Wallet Address: 0x3B59C6d0034490093460787566dc5D6cE17F2f9C
- UAC Incentives Wallet Address: 0xEBCCf1ce13F63c6B98811F03964F51fC43cef851
- This wallet is deployed across various EVMs
- This wallet is deployed across various EVMs

There were four members as part of this multisig for Season 2—and the threshold for signage was $\frac{3}{4}$.

- Multisig Members are same as UAC

The Primary Wallet is in charge of receiving all token flows approved by the DAO. It acts as the escrow and distribution wallet for paying working groups. The Incentives Wallet is in charge of routing liquidity incentives from the URGP. This is in part done to prevent signing an unneeded number of transactions from the Primary Wallet as it is the foundational escrow unit. Dispersing incentives via interactions with the Merkl application is therefore conducted solely through the Incentive Wallet.

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The Incentives Wallet is also deployed across a number of other EVMs, like Base, Scroll, Manta, etc. This was required to deploy UNI incentives on all of these target chains. Earlier this summer, Merkl launched a cross-chain feature that allows the deployment and claiming of incentives directly on Ethereum Mainnet. For instance, we were able to use the Incentives Wallet on Ethereum to reward liquidity providers on zkSync. These LPs would then claim their rewards directly on mainnet instead of on zkSync, making it easier for them to swap in and out of UNI.

We will likely continue using this cross-chain feature in the future to prevent the segmentation of funds and overhead with managing an increasing number of multisigs.

Accounting and Financials

The DAO currently does not have a system for tracking expenses, managing runway, or overseeing the treasury. There are separate initiatives addressing such needs—but the UAC has begun administering its internal accounts to better manage DAO funds and report their utilization over time. Routing funds for various programs to the UAC wallet will help manage DAO funds in a more prudent and standardized manner. We have also begun using more sophisticated tooling like DEN, ensuring proper tracking and labeling of transaction data.

You may view the UAC as a DAO-adjacent entity, currently solely governed by a multisig and not a legal entity. Token flows in and out of the UAC multisig are—today—only denominated in the native \$UNI token. The committee does not yet have the authority to buy and sell assets. This setup may alter in the future to ensure more flexible runway management, but it's not a guarantee.

Cash vs token-based accounting is a key concern to address. Almost every program that the DAO has voted in favor of so far has been quoted in US dollars. Since the UNI token is quite volatile, the dollar value of the funds assigned to a particular program upon execution may be significantly higher or lower than what was intended during either the RFC or voting period. Denominating programs in terms of dollars makes it much easier for delegates to conceptualize the cost of a particular program. Such a practice also eases communication with external parties. It's easier to market a "\$250k Incentive Package" versus a "35.7k UNI Incentive Package." Plus, many of the approved programs are associated with a working group's payroll, which is best denominated in dollars.

We are therefore requesting all future proposals that use the UAC as an escrow service to assign a dollar value to their requested budget. The UAC would like to periodically revisit these budgeted accounts and balance them if the dollar value of the given funds falls below the allotted amount.

See the below analysis for detailed accounts (through mid-August):

Breakdown of Inflows

Token inflows refer to funds sent from the Uniswap treasury to the Primary Wallet.

- Treasury Address: 0x1a9C8182C09F50C8318d769245beA52c32BE35BC

Outflows simply refer to funds being sent away from the UAC's control, either for the use of certain programs or for compensating DAO contributors.

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A total of four passed proposals led to an increased Primary Wallet balance. Nearly \$6M worth of capital was approved for all of these programs in aggregate. February and May saw the largest inflows, driven by the community electing to incentivize twelve different deployments. Below is a more granular breakdown:

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Inflows Over Time

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Program Account Balances

This section of the report consolidates each Account's current balance and expenses. There are a total of seven Accounts:

- Delegate Reward WG
- Incentive Package
- UAC Payroll
- UAC Tooling
- UAC Buffer
- Delegate Compensation
- UTWG Payroll

Note that the deficit/surplus values are assuming a UNI price of \$5.90.

Delegate Reward WG

This WG was formed to complete research regarding how Uniswap delegates should be compensated for their active participation in the DAO. Below is a snippet of the budget for this group:

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The proposal to fund the first cycle of delegate compensation and the retroactive funding for the Delegate Reward WG passed with an earmarked allocation of 27,000 UNI, equating to \$280,000 when the proposal was initiated (UNI = \$10.37).

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Delegate Reward WG Account Balance and Surplus/Deficit

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Above is the actual allocation distributed to six different teams for their participation in the working group. In other words, the Delegate Reward WG Payroll Account

has remaining funds since only 41% of the allotted funds were used. Therefore, this Account has 3,625.95 UNI (\$37,608.68 @ \$10.37/UNI) remaining. DAO members are still involved in administering this program and iterating its next cycles, so it requires a 3,424.9 UNI rebalance.

Delegate Compensation

In concert with the Delegate Reward WG, three month's worth of delegate compensation was approved, totaling \$216k. June and July payments have been sent out, aggregating to \$144k so far. The Account balance, when in dollars, equals \$72k. However, due to the decrease in UNI price, this Account is at a deficit. We are requesting the DAO to rebalance this Account, which will cost \$72k, or 12,203.39 UNI.

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Delegate Compensation Account Balance and Surplus/Deficit

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Incentive Package

The incentive packages were approved in two separate waves, with \$4.75M in aggregate to be spent on direct distributions to liquidity providers and \$142.5k in distribution costs paid to Merkl (3% take rate).

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Merkel agreed to offer the DAO a discount for distributions, so the actual Merkel take rate amounts to \$125,625:

Uniswap Revitalization and Growth

They have offered a 25% discount on their base 3% fee for incentives distributed between \$2.5m-\$5m, a 50% discount on incentives distributed between \$5m-\$10m, and a 75% discount on all incentives above \$10m in a 365-day period.

However, we are not able to account for this discount immediately since Merkel has to manually send the UAC wallets the \$16,875 reimbursement, so we are treating these funds as a future receivable. Payment reception will occur as the active campaigns begin winding down. As of mid-August, we have distributed all of the incentives except for BSC (\$1M) and half of Blast (\$250k).

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Monthly Token Flows for Incentive + Distribution Costs

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The second aspect of the Incentive Package Account are the integration costs paid to Oku and Merkel.

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External Contracting Costs from Incentive Waves 1 & 2

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Both Oku and Merkel were paid only once they completed their respective integrations. Below is the statement of token flows for these line items. All of these costs have officially been paid.

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Monthly Token Flows for Integration Costs

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Since the UNI token price fluctuated heavily during the last two quarters, this Account is currently at a surplus of \$276k. We were able to deploy some campaigns at prices above \$10, which required the utilization of far less UNI tokens. No rebalance will be requested here.

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Incentive Package Account Balance and Surplus/Deficit

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Uniswap Treasury Working Group (UTWG) Payroll Account

Four teams are actively working on researching an approach for Uniswap to manage its treasury. This team was initially allotted 6000 UNI. Nearly half of that balance has been expended for payroll. Since the token price has significantly fallen since this Account was created, there is currently a deficit of \$13,740.31, requiring a rebalancing of 2,328.87 UNI.

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UTWG Payroll Account Balance and Surplus/Deficit

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UAC Payroll Account

Overall expenses for running the UAC amounted to \$39.2k (4728.31 UNI) in the form of payroll. For reference, Season 1 of the UAC was nearly \$30k (4759 UNI). The scope of the committee between the two seasons has increased drastically, so each committee member logged their overtime hours per month. Based on the base rate of \$200/hour, the overtime cost summed to \$32.6k—this overage hasn't yet been paid and is simply marked as a current liability on the balance sheet. We are including payment of this overtime allocation as part of the vote to renew the UAC.

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UAC Payroll Account Balance and Surplus/Deficit

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The UAC wallet currently holds 4845.69 UNI in this Account. In order to cover the overtime fees, we would require this balance to be topped with ~\$4k, or 679.73 UNI. This rebalancing does not include the costs associated with renewing the UAC for Season 3.

UAC Tooling Account Balance

This Account is relatively negligible, but we are including it on the balance sheet since the UAC may increase its tooling and other miscellaneous expenses in the future. At no point did we request funds for tooling, so this Account is naturally at a deficit. A year-long DEN subscription between July 2024 - July 2025 was paid for in August for reporting and tracking, requiring a rebalance of 423.04 UNI.

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UAC Tooling Account Balance and Surplus/Deficit

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UAC Buffer Expenses

Certain expenses require the immediate use of funds due to the lengthy process for an onchain vote to request short-term funds. Notably, we used UAC funds to top-up the LTIPP incentives wallet (0x1026D3D219098D7b1B0A180F7E557DEeA7DA82C1). Whenever we distribute incentives, our team allocates the required dollar amount of funds—we do not base it on UNI amount since that causes aberrations in the value of distributions. To ensure that the LTIPP matching amount equated to the [voted \\$750k amount](#), we sent 23k UNI to the LTIPP wallet in July. This Buffer Account was retroactively created, so it requires a rebalance as shown below:

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UAC Buffer Account Balance and Surplus/Deficit

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One more point of note is that the LTIPP incentive matching allotment ideally would have been sent to the UAC wallet. Merely sending DAO-approved funds to the UAC Primary wallet makes tracking flows easier. A reason why these LTIPP funds were sent directly to a third-party wallet is because the LTIPP \$ARB received from Arbitrum DAO required members of the receiving multisig to KYC.

[Arbitrum LTIPP Incentive Matching](#)

In order for us to accept this grant, we had to elect three signers onto a Gnosis Safe, and each member had to follow Arbitrum Foundation's KYC process.

- Multisig Address

: [0x1026D3D219098D7b1B0A180F7E557DEeA7DA82C1](#)

- ⅔ Signers
- [@Juanbug](#) (UADP), 0xB8Dcad009E533066F12e408075E10E3a30F1f15A
- [@AbdullahUmar](#) (UADP), 0x3d0e30031b547737fFCf13c127350159A6C4ce17
- Picodes (MerkI), 0x34Eb88EAD486A09CAcD8DaBe013682Dc5F1DC41D
- [@Juanbug](#) (UADP), 0xB8Dcad009E533066F12e408075E10E3a30F1f15A
- [@AbdullahUmar](#) (UADP), 0x3d0e30031b547737fFCf13c127350159A6C4ce17
- Picodes (MerkI), 0x34Eb88EAD486A09CAcD8DaBe013682Dc5F1DC41D

The two UADP members and one Merkl representative had to KYC using Fractal. We don't presently partake in KYC/KYB on behalf of the UAC but may need to in the future.

Rebalancing Summary

Based on the above accounting, we are requesting a total rebalance of—

UNI

USD

42,059.93

\$248,153.57

Uniswap Revitalization and Growth Program Campaigns

As part of the URGP, we have facilitated the deployment of 12 Merkl campaigns this season. Below are graphics outlining the details of each campaign. Half of the campaigns have now concluded, and the rest will periodically terminate through December. Exactly a year after the termination of a campaign, we will be able to pull any unclaimed capital back.

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Concluded URGP Campaigns

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Active URGP Campaigns

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Please visit [this spreadsheet](#) for a more detailed breakdown of campaigns and the ability to click on the Merkl links.

Incentive and Liquidity Matching

This section outlines the chains that decided to add or match incentives on their end. Note that a couple of chains, like Scroll and Polygon zkEVM, privately committed liquidity to v3 pools. These were administered by Oku. Commitments from target chains that have been made publicly are monitored by the UAC, ensuring all involved parties deliver on their promises.

Rootstock

Rootstock is an interesting case because they were not given any LP incentives from the DAO because the URGP was introduced shortly after Uniswap was deployed on their chain. They also paid for Oku out of their own pockets. The barrier for being considered an official Uniswap deployment was higher prior to January 2024, and the Michigan Blockchain team spent months vetting and negotiating liquidity commitments with Rootstock. This process has now become a lot more seamless since the DAO has considered the downside risk of multichain deployments to be minimal.

[Three phases of liquidity deployments](#) were promised by the IOV Labs team, totaling \$3M. The below update is from their team—they completed the liquidity provision phases more quickly than anticipated, having deployed all the required funds by March 2024.

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Since this update, they've continued adding more liquidity across various pools, both independently and with the help of [Money On Chain](#). You can track Rootstock Labs' wallet (0x7aa20504b9c1af913ff8b979a923c2f032e7d24a) [here](#)—which currently has a total position value of ~\$16M.

Moonbeam

[Uniswap launched on Moonbeam](#) in Q2 2024—at the time, the URGP was not live, so no incentive or liquidity matching was introduced. This deployment also attracted no usage because it was not connected to a front-end, until Moonbeam partnered with Oku, [launching in October 2023](#). This highlights that every deployment proposal from here on out must have a plan to incorporate a front-end.

The UAC revisited this deployment in Q1 to gauge willingness to match the DAO's incentive package. Moonbeam Foundation committed \$100k GLMR worth of incentives as part of their Moonrise

Campaign, highlighting various projects built on Moonbeam, including Uniswap v3 via Oku. All pools selected for UNI-based incentives were the same ones that received GLMR incentives.

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Although the DAO does not have its independent marketing or outreach unit, we are able to partly outsource this functionality to front-ends.

Oku has so far been the main catalyst for publicizing the DAO's incentive programs.

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It may be worth considering a marketing group for the DAO to more reliably and freely communicate campaigns, events, and proposals to the broader DeFi community. The Uniswap Labs and Uniswap Foundation social accounts don't tend to advertise many of these programs. Bypassing such approval may prove valuable.

Sei

Sei Foundation has committed up to \$1M worth of liquidity to Uniswap pools on Sei. Like Rootstock, a tranching approach is being used to bootstrap this liquidity. On a quarterly basis, the Sei team and the UAC will evaluate the TVL, volume, and activity of the Uniswap pools on Sei. Capital deployments are based on Uniswap's volume/active users from the previous quarter and the TVL at the start of each quarter. Lower traction will lead to lowered future commitments from Sei Foundation. The initial guaranteed commitment by their Foundation was \$400k.

The first round of POL was deployed in late June across three pools:

[\\$100k USDC/WSEI 0.3%](#)

[\\$100k USDC/WSEI 0.3%](#)

[\\$120k WETH/WSEI 0.05%](#)

[\\$50k USDT/WSEI 0.05%](#)

Manta

The Manta team matched the Uniswap DAO's \$250k incentive lot with an equivalent dollar amount of MANTA tokens. This 1:1 incentive match brought no compliance issues—the Manta team simply [sent their tokens to the UAC multisig](#) on Manta Pacific. Again, Oku helped co-market this incentives program:

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Mantle

The Mantle team did not match any incentives. However, the Gamma team deployed \$75k worth of wMNT tokens for their users. These incentives were deployed by Gamma, not by the UAC—but our incentive timelines were coordinated to occur simultaneously, from July 4 - October 4 of this year.

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The above post demonstrates another opportunity to co-market incentives with not only target chains but products built using Uniswap, like ALMs. Such relationships will become increasingly important with v4's release.

Deployments Record Management

A central aspect of records management is tracking and updating the official Uniswap deployments across the numerous EVMs. This is vital for ensuring safety and standardization of the protocols on these target chains. Earlier this year, [the Primary UAC wallet attained the ability to alter the text record](#) on the Uniswap deployments ENS subdomains. Whenever a set of contracts are considered official and are properly verified, the UAC is responsible for writing to the given subdomains.

For more details, along with a comprehensive list of each of the deployed v3 contracts [refer to this post](#).

Community Call

The UAC will also be taking on the responsibility to administer monthly community calls going forward. These were previously hosted by Blockworks Research—but due to turnover in their team, they're stepping away from this duty. Once the new UAC team is elected, we will release a new community call calendar for delegates and all interested parties to keep track of. We believe that continuing the community calls is an important aspect in helping consolidate month-to-month occurrences, allowing people to ask questions and stay in the loop with DAO developments.

Part 2: RFC

This section is divided into two RFCs—one for renewing the UAC and the other to rebalance accounts. Each of these sections will run as their own temperature check to give the DAO more optionality over what to approve—the results of the temperature checks will then be wrapped together as a single onchain vote.

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Proposal Timeline

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Renew UAC for Season 3 (Temp Check 1)

The UAC has ramped up contributions in its current iteration, demanding more hours from members than in the past. Collectively, with our new much expanded scope, we have contributed more than originally expected, which was the limited 10 hours/month per member. In total over 6.5 months, committee members have worked 359 hours, 99 hours more than the expected 260 hours for this time frame. Note that the extra hours have not been paid out. Today, the scope of the UAC can broadly relate to DAO operations, program oversight, and protocol growth—the specifics of these categories will continue to evolve to meet the needs of the DAO.

Going forward, we propose a few key areas of focus for the committee:

- Proposing new incentive programs, including a potential exploration into Protocol Owned Liquidity and other forms of growth beyond mere incentives
- Administering an operational framework for the Uniswap DAO to best sustain efficiency with ever increasing programs and working groups
- Continuing our role as an escrow service for DAO-funded programs
- Polishing our accounting and record-keeping to improve reporting
- Exploring and implementing growth programs related to Uni v4

To accommodate this expanded focus, we propose the following next steps to operationalize the committee going forward:

- Add an additional member (going from 4 to 5 members)

to increase work capacity and multisig security

- Increase the maximum hours

per member from 10 hours/month to 30 hours/month

- Institute a staggered election system

to retain three current members on the committee—this helps retain momentum and continuity with existing projects. We believe a degree of stickiness with the UAC team is important since conducting the noted operations requires subject matter expertise and familiarity with the DAO. * Going forward, the UAC will internally hold a vote to decide which of the $\frac{2}{5}$ members will be up for reelection—that is, if two members don't resign by default

- For this election, [@0xpibblez](#) has stepped down, so there are automatically 2 available seats for the Season 3 election
- Going forward, the UAC will internally hold a vote to decide which of the $\frac{2}{5}$ members will be up for reelection—that is, if two members don't resign by default
- For this election, [@0xpibblez](#) has stepped down, so there are automatically 2 available seats for the Season 3 election
- Approve the \$32.6k of wages payable to accommodate for Season 2 overtime
- Fund the committee with an additional \$210,000 of \$UNI for payroll through March 2025

(this assumes that all 5 members spend 30 hours per month for all 7 months, given the \$200/hour rate)

Note: The UAGP is funding legal research into an entity structure that would be suitable for the UAC. This would, among other aspects, allow the committee to sign incentive matching agreements with protocols to which Uniswap is being deployed. The introduction of a legal entity may change the dynamic of the UAC and its election setup as well.

Rebalance Accounts in Deficit (Temp Check 2)

Fluctuations in the UNI token price means that the accounts for various programs become unbalanced—sometimes at a surplus and other times at a deficit. Since programs are almost always budgeted in terms of dollars, we are looking to top up those balances to ensure liabilities around sustaining elected DAO programs are covered. The temperature check associated with rebalancing will be run separately from the UAC Season 3 renewal vote—the vote will request 42,060 UNI.

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Summary of Account Rebalancing Amounts

1968×826 194 KB

](<https://global.discourse-cdn.com/flex016/uploads/uniswap1/original/2X/5/5f2a888f126fe7a80f0b180a6ccf887df02e0fe0.png>)

Please revisit the “Accounting and Financials” section above for a granular demonstration of the summarized rebalancing numbers.

We look forward to hearing the DAO's feedback.