

## Context

In February 2023, [@PhoenixLabs](#), a contributor to the development of [Spark](#), proposed a Spark Lend profit-sharing program with the Aave community for the FOSS work done on Aave v3. The profit share took effect when the Dai market size reached 100 million, and will expire two years after. According to the Support Scope, before the launch of SubDAO tokens, Maker Governance is responsible for paying out the “virtual revenue share” on behalf of Spark.

For further context regarding the proposal, refer to [@PhoenixLabs](#)’ “[ARC: Spark Lend Profit Share Proposal](#)” forum post on the Aave forum.

To read more about the methodology used to calculate the payment amount, refer to [@BA-Labs](#)’ “[Spark - Aave Revenue Share Calculation & Payment #1 \[Q3 2023\]](#)” forum post on the Maker forum.

[@BA-Labs](#)’ [Treasury Page](#) on the Spark Risk & Analytics Dashboard is used to calculate and report Maker revenue, Aave revenue, and Aave quarterly payments.

## Payment Amount #3

### Payment Formula

The following formulas are used to calculate the profit-sharing amount:

SparkDAO Virtual Income = 1% \* DAI Supplied by D3M

Virtual Revenue Share = 10% \* SparkDAO Virtual Income

Payment Amount = 0.001 \* DAI Supplied by D3M (when DAI Supplied by D3M > 100m)

### Accrued Amount in Q1 2024

For Q1 2024, the Aave profit-sharing amount was calculated to:

238338.66062876518

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Our [Spark Risk & Analytics Dashboard](#) also calculates current accrued amount as well as monthly and yearly estimates. As illustrated in the screenshot below, at the time of writing, the annual revenue estimate is \$1.04M. This estimate is subject to market activity and may change over time.

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## Support Scope Language Based Proposal For Q1 2024: Payment #3

According to the language in the [Support Scope MIP106 9.4.1](#), Maker Governance must execute a payment from the Maker Surplus Buffer to a smart contract under the control of Aave Governance. Based on the calculations, we suggest the following parameters to be included in one of the executive votes:

- 238339 DAI
- Payment Source: Surplus Buffer
- Payment Receiver Address: [0x464C71f6c2F760DdA6093dCB91C24c39e5d6e18c](#)

The payment is subject to confirmation and formal proposal by the Support Scope Responsible Facilitator. Since the elements are Support Scope defined, this proposal does not require a governance poll and can be included directly in an executive vote.