Important Update for Amazon S3: Amazon has since added an extra step that you need to now add permissions by attaching a user policy to a user. You can follow it here:

http://docs.aws.amazon.com/AmazonS3/latest/dev/walkthrough1.html

You can use this user policy:

Also, the carrierwave gem now recommends using the fog-aws gem for s3 uploads, but we have found it to be buggy. We now recommend using the carrierwave-aws gem instead. You can see it here:

https://github.com/sorentwo/carrierwave-aws

Follow instructions there to set it up with carrierwave, and remember to use it only on staging and production environments.

Note: If you don't have ImageMagick locally, you need to install it.

- If you are on Mac, the easiest way is to use homebrew. Follow the instruction here: http://stackoverflow.com/questions/7053996/how-do-i-install-imagemagick-with-homebrew
- If you are on Linux, you can use apt-get: http://superuser.com/questions/163818/how-to-install-rmagick-on-ubuntu-10-04

WARNING: You should never commit your Amazon AWS credentials directly into your code, and this is especially so if you are pushing your code to Github as an open source project. There are bots that scan Github repositories and extract credentials and then turn around to hack into your Amazon AWS account to use your computing resource. We have seen people getting bills of a few thousand dollars in the past! Store your credentials on Heroku as environment variables. You could also use a solution like dotenv or figaro - see this blog post of ours.