

# **FACTOM COMMUNITY**

**Grants - 2018-02**

**DOC 152**

**(single use)**

| VERSION | DATE       | CHANGED BY                        | CHANGES   |
|---------|------------|-----------------------------------|---|
| 0.1     | 2018-09-11 | The 42ND Factoid LTD              | Created document structure  |
| 0.2     | 2018-09-12 | The 42ND Factoid LTD<br>Centis BV | First draft   |
| 0.3     | 2018-09-22 | The 42ND Factoid LTD              | Accepted suggestions to the document.   |
| 0.4     | 2018-09-24 | Centis BV                         | Accepted suggestions, added grant template, added vote section  |
| 0.5     | 2018-10-07 | The 42ND Factoid LTD<br>Centis BV | Updated timelines. Clarified review starts later. Clarified wording. Remove spelling/grammar mistakes |
| 1.0     | 2018-10-07 | Canonical Ledgers                 | Resolved final comment, naming as version 1.0 for ratification.                                       |
|         |            |                                   |   |

# 1. Introduction

- 1.1. This document describes the process for managing the second round of Factom protocol grants in 2018.
  - 1.2. This document is a single-use process, and its usage is limited to Factom protocol grant round #2 in 2018.
  - 1.3. This document may contain terms that are described in the Factom governance. The latest version can be found [here](#).
  - 1.4. This grant round deviates from section 4.3 in the governance document, as at this time important prerequisites like support categories, on chain voting and standing are not available.

# 2. Scope

- 2.1. This document describes the complete process of issuing grants in this Factom protocol grant-round, and includes information on:
  - Dates & Deadlines
  - Amount of Factoids to be issued as grants in this round
  - Grant denomination
  - Formal requirements (checklist format)
  - How to apply for grants
  - Public discussion about grant applications
  - Voting on grants
  - Grant payout procedure

## 3. Communication channels and announcements

- 3.1. The grant application round starts with an announcement from the Factom guides. This announcement contains information about how to apply for the respective grant round as well as dates and deadlines for said round. This announcement will be made in the #guide-announcements Discord channel on the [Factom Community Discord server](#), as well as in a Factomize Forum thread in the [Grants subforum](#). All users in the discord server will be tagged for this message.
- 3.2. Links to these announcements will be placed on social media like the [Factom subreddit](#) to reach a wider audience as well.
- 3.3. Any announcements about the grant application round are solely made by the Factom protocol guides. Subsequent updates/announcements shall be disseminated via the same channels as the initial grant round announcement.

## 4. Grant application process

### 4.1. Dates & Deadlines

- 4.1.1. At **2018-10-15 00:00** grant application round #2 of 2018 will be announced. This is the official start of the grant application phase. Information about how to apply for the respective grant round can be found in the sections below. Grants can be submitted at the Factomize forum. Discussion and review of grants does not start at this time
- 4.1.2. At **2018-10-28 23:59** the grant applications need to be submitted. New applications after this date will not be accepted.
- 4.1.3. At **2018-10-29 00:00** the public discussion on the grants will be opened via threads on the Factomize forum.

This is the start of the public questions and review process by means of discussion on the Factomize forum (Section 4.6). The grant proposal can be amended/updated during that time by the

grant proposal creator based on input from the community. Any such edits shall be described in the ORIGINAL grant-proposal post preceded by this text:

"GRANT PROPOSAL EDITED YYYY-MM-DD:"

- 4.1.4. At **2018-11-09 23:59** the public discussion will be closed. Grant proposal creators will have **two (2) days** to finalize any changes in the grant proposal.
- 4.1.5. **2018-11-11 23:59** Final deadline for amended/updated grant proposals
- 4.1.6. **2018-11-12 00:00 - 2018-11-13 23:59** The vote period according to Section 4.7. During this time votes can be cast by Standing Parties.
- 4.1.7. **2018-11-14 02:00** Results of awarded grants will be posted by the Factom protocol guides in the official communication channels mentioned in Section 3.
- 4.1.8. **2018-11-14 23:59** Deadline for the grant applicant whose proposal is ranked immediately after the last fully awarded proposal to resubmit its application with adjusted costs to utilize the remaining FCT available in this grant application round.
- 4.1.9. **2018-11-15 00:00 - 2018-11-16 23:59** Standing parties (Authority Node Operators and Guides) will have 2 days to revote on this reduced grant. A score of 60% is needed to qualify this grant for acceptance.
- 4.1.10. **2018-11-20 00:00** The approximate date on which the software update solely for adding the grant payments will be made available to the Authority Node Operators.
- 4.1.11. **2018-11-24 00:00** Will be the approximate activation time of the coinbase (payout). This is an approximate time, since the payout is tied to a blockchain height, which can happen a little later than the expected date. The activation height is dependent on the majority of the Authority Set having updated to the version released on the previous mentioned date.
- 4.1.12. **2018-12-01** Will be the approximate receipt date of awarded grants. This is 1000 blocks after the coinbase date mentioned in the previous step. This translates to roughly 7 days (1000 blocks/144 blocks per day every 10 minutes). The actual payout of the awarded individual grants is dependent on the success of the activation mentioned above and is subject to the Authority Set Veto as set forth in Section 5.4 of Doc 001 - Factom governance document.

## 4.2. Amount of Factoids to be issued

- 4.2.1. During this grant application round there should be approximately 130,000 FCT to be awarded in total, as that is the anticipated pool amount near the end of the grant process.  
Note: The exact amount of FCT issues will be determined at a later date and announced via the communication channels described in chapter 3 of this document.
- 4.2.2. A new grant application round will be held approximately 3 months after this round concludes.
- 4.2.3. If you apply for a large grant that spans more than the above timeline you will need to break your grant up into several phases and apply for another grant during the next grant round.

## 4.3. Grant denomination

- 4.3.1. Grant denominations during this grant application round are in FCT only! The reason is that we do not have the necessary infrastructure in place to easily handle dollar denominated grants currently.

## 4.4. Formal requirements

- 4.4.1. To be considered for a Factom Community Grant, applicants must meet the following minimum requirements:
- The Grant application must be submitted before the deadline listed in Section [4.1.2](#).
  - The Grant application must receive a minimum average score of 60 points from the Standing Parties participating in the vote, in a poll where the points 0-100 may be awarded..
  - Grants shall be submitted on a project by project basis. For example, a development grant might propose the necessary elements to accomplish external sharding. It probably should not include trips to conferences or marketing, at least not without justification. If your grant is to develop a small EC using application, then you might need to include a small marketing budget in that project proposal but be prepared to justify it. This will be somewhat of a grey area and we ask those submitting grants to try and comply with the spirit of the clause.

- The submitted application must include the indemnification waiver in the example template.
- 4.4.2. Grants not adhering to the requirements defined in this document will be discarded by Guides when creating voting-polls.

## 4.5. Grant application process

- 4.5.1. Applying for grants is only possible by creating a separate thread per grant proposal in the [grants subforum](#) at factomize.  
Note: Such posts shall include the **Grant Proposal** tag.
- 4.5.2. Conclude the post with this exact text:
 

*As required by document 152 that governs Factom grant round 2: This is the thread for grant proposal FACTOM-GRANT-[ENTITY-NAME]-00x.  
The review process starts at 2018-10-29 00:00, so please refrain from starting public review or questions before that time to give everybody an equal chance. If you notice clear errors in the proposal you can contact the author of the grant proposal directly.*
- 4.5.3. A template that is being suggested to use for the grant application is found in chapter 5. Please note that the template is not mandatory, but does make it easier for everybody to review the different grants. Please include at least the information from the template when deviating from it.
- 4.5.4. Assign your grant proposal an ID in the form of:  
FACTOM-GRANT-[ENTITY-NAME]-00x
- 4.5.5. Make sure to include FCT payout address(es) in the proposal unless you need awarded funds held in the grant pool, to be paid during next grant payment software change. Although providing an address does not necessarily mean you are entitled to the grant, it will speed up the payout process considerably. Awarded grant proposals will be put onto the Factom blockchain, so the FCT address which is part of the whole document can be proved to be correct at a later stage as well.

## 4.6. Public discussion

- 4.6.1. After the grants have been posted and the time as set out in 4.1.3 has transpired, meaning **2018-10-29 00:00**, anybody is allowed to ask questions about the grant proposal in the respective thread on the Factomize forum.

- 4.6.2. Suggestions on changing scope, deliverables, timelines or other matters can be provided by any party up to the grant proposal submitter to decide whether these suggestions are incorporated in an updated grant proposal.

## 4.7. Voting on grants

- 4.7.1. Standing Parties in the Factom ecosystem are eligible to vote on submitted grants. The only parties currently with standing in the ecosystem are the Authority Node Operators (ANOs) and the Factom Guides. Each standing party has the same weight per vote.
- 4.7.2. Votes are held in the Factomize forum by means of a poll. The reasoning behind the usage of the Factomize Forum is that it allows to limit the amount of votes to one representative per standing party, as well as having all information “factomized” and anchored into the Factom blockchain.
- 4.7.3. Each grant proposal will have a poll where the standing party can choose a number between 0 and 100.
- 4.7.4. Votes of all standing parties that have voted are averaged and then multiplied by their respective weights before being added to calculate the final score.  
Note: In this grant round all standing parties carries equal weight.
- 4.7.5. A standing party that does not vote will not be taken into consideration in the above calculation of the average. It will not count as zero as that would lower overall scores unreasonably.
- 4.7.6. Only grants that score **60 or above** are applicable for grant awarding based on score from high to low and submitted time of the last change on equal score, where the first submission takes priority.

## 4.8. Grant payouts

- 4.8.1. During this round grant payouts have to be hardcoded. This means that any addresses have to be listed in the application itself. There won't be time to gather all addresses after the vote has finished.
- 4.8.2. After the vote has been concluded a manual process will start to include the addresses of the awarded grants into the Factom code, as this is not automated at this stage.
- 4.8.3. The developers will seek contact through Discord (or other side channels as necessary) with the appropriate awarded grantees,



to verify the FCT addresses are authentic. This is to limit single points of failure causing misdirection of FCT.

- 4.8.4. A new release of factomd will be published where the only difference with the previous version will be the inclusion of the grants. This version will be ready approximately 3 days after the grant vote has been concluded and deemed successful by the Guides.
- 4.8.5. All Authority Node Operators will be notified before the closing of the grant round when the new factomd software version is expected, and at what date the activation of the grants will be approximately (10 days after close of grant round).
- 4.8.6. 1000 blocks (approximately 7 days) after the activation blockheight the grants will be received by the grantees, pending no coinbase cancellation message from the majority of the Authority Nodes. Authority Node Operators can cancel pending coinbase-transactions (FCT that gets created) for various reasons, like mistakes, bugs, hacks etc.

## 5. Grant template

|  |                              |
|--|------------------------------|
| <b>Submission date</b>                     |                              |
| <b>Grant name</b>                          |                              |
| <b>Organization(s) / person(s)</b>         |                              |
| <b>FCT Payout addresses (id + address)</b> |                              |
| <b>Previous Protocol Grant nr</b>          |                              |
| <b>Protocol Grant nr</b>                   | FACTOM-GRANT-ENTITY-NAME-001 |

## Executive Summary

Please provide a brief general description of the project and the amount of funding you are requesting.

## Type of grant

☐ Development    ☐ Exchanges    ☐ Legal    ☐ Marketing    ☐ Other

Please provide the type of grant for which you are applying. If 'Other' then state the exact type.

## Project description

Please describe your project as sufficiently as possible

## Problem statement

What is the problem you are trying to address? How are you going about it?

## Goals & Objectives

Please state the goals and objectives of the grant in sufficient detail

## Success criteria (measurable)

| Criteria | Measurement |
|----------|-------------|
|          |             |
|          |             |
|          |             |

## Timeline, activities & milestones

| Activity | Milestone | Timeline |
|----------|-----------|----------|
|          |           |          |
|          |           |          |
|          |           |          |

## Budget(s)

Provide the budgets associated with the grant. If the grant has milestones, please separate the budget across these milestones.

## Competition & collaboration

Do you know of competing products and/or projects in existence or under development? If yes, please state why you think this grant is important. Are there any collaboration possibilities for this grant?

## Organization or Person info

State the name of the organization or person applying for the grant. Please also include a means of contact. It is also recommended that you go into detail about who you are and why you will be able to execute this grant.

## Additional documentation

If you would like to include additional information, please reference it here.

## 6. Indemnification & waiver

By submitting a grant proposal or participating in the grant proposal process, the submitter hereby agrees to release, waive, discharge the Guides, Authority Set Members, Standing Parties, and their respective employees, contractors, agents, representatives, successors, and assigns (collectively, the “Releasees”) from any and all liabilities, claims, and demands of whatever kind of nature, either in law or in equity, which arise or may hereafter arise from participating in the grant proposal process, except for those caused by the willful misconduct or intentional torts of the Releasees. The submitter further agrees to indemnify and hold harmless the Releasees against all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, or expenses which may be imposed on, asserted against or incurred by any Releasee as a result of, or arising out of, or relating to this grant process contemplated by this document, including without limitation, any judgment, settlement, attorneys’ fees and other costs or expenses incurred in connection with the defense of any actual or threatened action or proceeding, except for the liabilities caused by the willful misconduct or intentional torts of the Releasees.

Note: Please see [Governance](#) for proper definitions of Guides, Authority Set Members, and Standing Parties. Grant proposals submitted in another format shall have this indemnification.