

Best practices for drafting & evaluating community spend governance proposals

Introduction

This is the first version of the best practices document for drafting & evaluating community spend governance proposals. Read the accompanying article here:

<https://figment.network/resources/community-fund-proposal-best-practices>

This document is intended to guide a person from being unfamiliar with Cosmos community-spend governance proposals to being able to finalize and submit a community-spend proposal on-chain. This guide also serves as a way of assessing a proposal, however, it should be streamlined and more targeted specifically for assessment in Version 2.0.

As of February 26, 2020, Version 1.0 has not had any substantial third-party feedback, so please exercise caution if you are using this to submit your first proposal. Consider seeking outside advice and feedback prior to submitting your proposal on-chain. Please consider joining the Cosmos Governance Working Group channels ([forum](#), [Telegram](#)) to discuss your proposal.

This document was created by Gavin Birch (Figment Networks) to meet the deliverable outlined in the [Cosmos Hub community-spend proposal 'Prop23'](#). The contents of this document belong to the Cosmos community and to anyone that would like to participate in the Cosmos Hub. This doc is being actively developed here: <https://github.com/gavinly/CosmosCommunitySpend>

Drafting a Community-spend Proposal

Drafting and submitting a proposal is a process that takes time, attention, and involves risk. The objective of this documentation is to make this process easier by preparing participants for what to pay attention to and how to reduce the risk of losing deposits. Ideally, a proposal should only fail to pass because the voters 1) are aware and engaged and 2) are able to make an informed decision to vote down the proposal.

If you are considering writing a proposal, you should know:

1. About the Community Pool
2. How the voting process and governance mechanism works
3. What the community will likely want to know from your proposal
4. Where and how to engage with the Cosmos community about your proposal
5. How to prepare your final proposal draft for submission
6. How to submit your proposal to the Cosmos Hub testnet & mainnet

Cosmos Hub 3 and the Community Pool

The Cosmos Hub 3 launched with community-spend capabilities on December 11, 2019, effectively unlocking the potential for token-holders to vote to approve spending from the Community Pool. [Discuss its development here.](#)

Learn About the Community Pool

How is the Community Pool funded?

2% of all staking rewards generated (via block rewards & transaction fees) are continually transferred to and accrue within the Community Pool. For example, from Dec 19, 2019 until Jan 20, 2020 (32 days), 28,726 ATOM were generated and added to the pool.

How can funding for the Community Pool change?

Though the rate of funding is currently fixed at 2% of staking rewards, the effective rate is dependent upon the Cosmos Hub's staking rewards, which can change with inflation and block times.

The current 2% tax rate of funding may be modified with a governance proposal and enacted immediately after the proposal passes.

Currently, funds cannot be sent to the Community Pool, but we should expect this to change with the next upgrade. Read more about this new functionality [here](#). What makes this functionality important?

1. Funded projects that fail to deliver may return funding to Community Pool;
2. Entities may help fund the Community Pool by depositing funds directly to the account.

What is the balance of the Community Pool?

You may directly query the Cosmos Hub 3 for the balance of the Community Pool:

```
gaiacli q distribution community-pool --chain-id cosmoshub-3 --node  
cosmos-node-1.figment.network:26657
```

Alternatively, popular Cosmos explorers such as [Big Dipper](#) and [Hubble](#) display the ongoing Community Pool balance.

How can funds from the Community Pool be spent?

Funds from the Cosmos Community Pool may be spent via successful governance proposal.

How should funds from the Community Pool be spent?

We don't know 🤔

The prevailing assumption is that funds should be spent in a way that brings value to the Cosmos Hub. However, there is debate about how to keep the fund sustainable. There is also some debate about who should receive funding. For example, part of the community believes that the funds should only be used for those who need funding most. Other topics of concern include:

- retroactive grants
- price negotiation
- fund disbursement (eg. payments in stages; payments pegged to reduce volatility)
- radical overhaul of how the community-spend mechanism functions

We can expect this to take shape as proposals are discussed, accepted, and rejected by the Cosmos Hub community.

How are funds disbursed after a community-spend proposal is passed?

If a community-spend proposal passes successfully, the number of ATOM encoded in the proposal will be transferred from the community pool to the address encoded in the proposal, and this will happen immediately after the voting period ends.

The Proposal Process & Governance Mechanism

The Proposal Process: Two Periods

1. Deposit Period

The deposit period lasts either 14 days or until the proposal deposit totals 512 ATOMs, whichever happens first.

Deposits

Deposit amounts are at risk of being burned. Prior to a governance proposal entering the voting period (ie. for the proposal to be voted upon), there must be at least a minimum number of ATOMs deposited. Anyone may contribute to this deposit. Deposits of passed and failed proposals are returned to the contributors.

In the past, different people have considered contributions amounts differently. There is some consensus that this should be a personal choice. There is also some consensus that this can be an opportunity for supporters to signal their support by adding to the deposit amount, so a proposer may choose to leave contribution room for others to participate. It is important to remember that any contributed ATOMs are at risk of being burned.

Burned deposits

Deposits are burned when proposals:

1. Expire - deposits will be burned if the deposit period ends before reaching the minimum deposit (512 ATOM)
2. Fail to reach quorum - deposits will be burned for proposals that do not reach quorum ie. 40% of all staked ATOM must vote
3. Are vetoed - deposits for proposals with 33.4% of voting power backing the 'no-with-veto' option are also burned

2. Voting Period

The voting period is a currently a fixed 14-day period. During the voting period, participants may select a vote of either 'yes', 'no', 'abstain', or 'no-with-veto'. Voters may change their vote at any time before the voting period ends.

What determines whether or not a governance proposal passes?

There are four criteria:

1. A minimum deposit of 512 ATOM is required for the proposal to enter the voting period
 - anyone may contribute to this deposit
 - the deposit must be reached within 14 days (this is the deposit period)
2. A minimum of 40% of the network's voting power (quorum) is required to participate to make the proposal valid
3. A simple majority (greater than 50%) of the participating voting power must back the 'yes' vote during the 14-day voting period
4. Less than 33.4% of participating voting power votes 'no-with-veto'

Currently, the criteria for submitting and passing/failing a community-spend proposal is the same as the criteria for signaling (text-based) proposals and parameter-change proposals.

How is voting tallied?

Voting power is determined by stake weight at the end of the 14-day voting period and is proportional to the number of total ATOMs participating in the vote. Only bonded ATOMs count towards the voting power for a governance proposal.

Liquid ATOMs will not count toward a vote or quorum. Inactive validators can cast a vote, but their voting power (including the backing of their delegators) will not count toward the vote if they are not in the active set when the voting period ends. That means that if I delegate to a validator that is either jailed, tombstoned, or ranked lower than 125 in stake-backing at the time that the voting period ends, my stake-weight will not count in the vote.

Though a simple majority 'yes' vote (ie. 50% of participating voting power) is required for a governance proposal vote to pass, a 'no-with-veto' vote of 33.4% of participating voting power or greater can override this outcome and cause the proposal to fail. This enables a minority group representing greater than 1/3 of voting power to fail a proposal that would otherwise pass.

How is quorum determined?

Voting power, whether backing a vote of 'yes', 'abstain', 'no', or 'no-with-veto', counts toward quorum. Quorum is required for the outcome of a governance proposal vote to be considered valid and for deposit contributors to recover their deposit amounts. If the proposal vote does not reach quorum (ie. 40% of the network's voting power is participating) within 14 days, any deposit amounts will be burned and the proposal outcome will not be considered to be valid.

Best Practices for Drafting a Community-Spend Proposal

Engage directly with the voting community and seek feedback

Last updated: Feb 14, 2020

Engagement is likely to be critical to the success of a proposal. There are many different ways to engage.

One strategy involves a few stages of engagement before and after submitting a proposal on chain. In the first stage of this strategy, you should engage people informally about your idea.

Note: this guide likely fails to capture all ways of engaging. Perhaps you could bring your idea to a podcast or a hackathon. You could host an AMA on [Reddit](#) or host a Q&A (questions & answers) video call. Try to go above and beyond what's recommended here--experiment, and use your strengths.

Stage 1: Your Idea

Not yet confident about your idea?

Great! Governance proposals potentially impact many stakeholders. Introduce your idea with known members of the community before investing resources into drafting a proposal. Don't let negative feedback dissuade you from exploring your idea if you think that it's still important.

If you know people who are very involved with the Cosmos Hub, send them a private message with a concise overview of your idea. Wait for them to ask questions before providing details. Do the same in semi-private channels where people are not anonymous and tend to be respectful (and hopefully supportive). I recommend [this Cosmos Discord community](#) and the private Cosmos Network VIP Telegram channel (ask for an invite [on the forum](#) if you are or would like to be a Cosmos contributor).

Confident with your idea?

Great! However, remember that governance proposals potentially impact many stakeholders, which can happen in unexpected ways. Introduce your idea with members of the community before investing resources into drafting a proposal. At this point you

should seek out and carefully consider critical feedback in order to protect yourself from [confirmation bias](#). This is the ideal time to see a critical flaw, because submitting a flawed proposal will waste resources.

Are you ready to draft a governance proposal?

There will likely be differences of opinion about the value of what you're proposing to do and the strategy by which you're planning to do it. If you've considered feedback from broad perspectives and think that what you're doing is valuable and that your strategy should work, and you believe that others feel this way as well, it's likely worth drafting a proposal. However, remember that the largest ATOM stakers have the biggest vote, so a vocal minority isn't necessarily representative or predictive of the outcome of an on-chain vote.

A conservative approach is to have some confidence that you roughly have initial support from a majority of the voting power before proceeding to drafting your proposal. However, there are likely other approaches, and if your idea is important enough, you may want to pursue it regardless of whether or not you are confident that the voting power will support it.

Stage 2: Your Draft Proposal

Begin with a well-considered draft proposal

The next major section outlines and describes some potential elements of a community-spend proposal. Ensure that you have considered your proposal and anticipated questions that the community will likely ask. Once your proposal is on-chain, you will not be able to change it.

Engage the community with your draft proposal

1. Post a draft of your proposal as a topic in the 'governance' category of the [Cosmos forum](#).
2. Directly engage key members of the community for feedback. These could be large contributors, those likely to be most impacted by the proposal, and entities with high stake-backing (eg. high-ranked validators; large stakers).
3. Engage with the Cosmos Governance Working Group (GWG). These are people focused on Cosmos governance--they won't write your proposal, but will provide feedback and recommend resources to support your work. Members can be contacted on the [forum](#) (they use the tag 'GWG' in posts), in [Telegram](#), and on [Discord](#).
4. Target members of the community in a semi-public way before bringing the draft to a full public audience. The burden of public scrutiny in a semi-anonymized environment (eg. Twitter) can be stressful and overwhelming without establishing support. Solicit opinions in places with people who have established reputations

first. For example, there is a private Telegram group called Cosmos Network VIP (ask for an invite [on the forum](#) if you are or would like to be a Cosmos contributor). Let people in the [Discord community](#) know about your draft proposal.

5. Alert the entire community to the draft proposal via
 - Twitter, tagging accounts such as the All in Bits [Cosmos account](#), the [Cosmos GWG](#), and Today in Cosmos [@adriana_kalpa](#)
 - [Telegram, Adriana](#) (All in Bits)
 - [Discord](#)

Stage 3: Your On-Chain Proposal

A majority of the voting community should probably be aware of the proposal and have considered it before the proposal goes live on-chain. If you're taking a conservative approach, you should have reasonable confidence that your proposal will pass before risking deposit contributions. Make revisions to your draft proposal after each stage of engagement.

Submit your proposal to the testnet

I intend to expand this [guide to include testnet instructions](#). You may want to submit your proposal to the testnet chain before the mainnet for a number of reasons, such as wanting to see what the proposal description will look like, to share what the proposal will look like in advance with stakeholders, and to signal that your proposal is about to go live on the mainnet.

Submitting your proposal to the testnet increases the likelihood of engagement and the possibility that you will be alerted to a flaw before deploying your proposal to mainnet.

The Deposit Period

The deposit period currently lasts 14 days. If you submitted your transaction with the minimum deposit (512 ATOM), your proposal will immediately enter the voting period. If you didn't submit the minimum deposit amount (currently 512 ATOM), then this may be an opportunity for others to show their support by contributing (and risking) their ATOMs as a bond for your proposal. You can request contributions openly and also contact stakeholders directly (particularly stakeholders who are enthusiastic about your proposal). Remember that each contributor is risking their funds, and you can [read more about the conditions for burning deposits here](#).

This is a stage where proposals may begin to get broader attention. Most popular explorers currently display proposals that are in the deposit period, but due to proposal spamming, this may change. [Hubble](#), for example, only displays proposals that have 10% or more of the minimum deposit, so 51.2 ATOM or more.

A large cross-section of the blockchain/cryptocurrency community exists on Twitter. Having your proposal in the deposit period is a good time to engage the so-called 'crypto Twitter' Cosmos community to prepare validators to vote (eg. tag @cosmosvalidator) and ATOM-holders that are staking (eg. tag @cosmos, @adriana_kalpa).

The Voting Period

At this point you'll want to track which validator has voted and which has not. You'll want to re-engage directly with top stake-holders, ie. the highest-ranking validator operators, to ensure that:

1. they are aware of your proposal;
2. they can ask you any questions about your proposal; and
3. they are prepared to vote.

Remember that any voter may change their vote at any time before the voting period ends. That historically doesn't happen often, but there may be an opportunity to convince a voter to change their vote. The biggest risk is that stakeholders won't vote at all (for a number of reasons). Validator operators tend to need multiple reminders to vote. How you choose to contact validator operators, how often, and what you say is up to you--remember that no validator is obligated to vote, and that operators are likely occupied by competing demands for their attention. Take care not to stress any potential relationship with validator operators.

Elements of a Community-Spend Proposal

It will be important to balance two things: being detailed and being concise. You'll want to be concise so that people can assess your proposal quickly. You'll want to be detailed so that people will have a clear understanding of what the agreement is and won't need to ask many questions before voting. These are some elements that the Cosmos Hub community may be likely to be looking for:

1. Summary - the key details of the proposal
 - who is submitting the proposal
 - the amount of the proposal
 - the items being delivered deliverable
 - the date for which the deliverables will be met
 - a short summary of the history (what compelled this proposal), solution that's being presented, and future expectations Assume that nobody will read beyond this point.
2. Applicant(s) - the profile of the person(s)/entity making the proposal
 - who you are and your involvement in Cosmos and/or other blockchain networks
 - an overview of team members involved and their relevant experience

- brief mission statement for your organization/business (if applicable) eg. website
 - past work you've done eg. include your Github
 - some sort of proof of who you are eg. Keybase
3. Problem - generally what you're solving and/or opportunity you're addressing
 - past, present (and possibly a prediction of the future without this work being done)
 4. Solution - generally how you're proposing to deliver the solution
 - your plan to fix the problem or deliver value
 - the beneficiaries of this plan (ie. who will your plan impact and how?)
 - follow the "as a user" template ie. write a short user story about the problem you are trying to solve and how users will interact with what you're proposing to deliver (eg. benefits and functionality from a user's perspective)
 - voters should understand the value of what you're providing in a simple way
 - your reasons for selecting this plan
 - your motivation for delivering this solution/value
 5. Funding - amount and denomination proposed eg. 5000 ATOM
 - the entity controlling the account receiving the funding
 - consider an itemized breakdown of funding per major deliverable
 - consider outlining how the funds will be spent
 6. Deliverables and timeline - the specifics of what you're delivering and how, and what to expect
 - what are the specific deliverables? (be detailed)
 - when will each of these be delivered?
 - will there be a date at which the project will be considered failed if the deliverables have not been met?
 - how will each of these be delivered?
 - what will happen if you do not deliver on time?
 - what is the deadline for the project to be considered failed?
 - do you have a plan to return the funds?
 - how will you be accountable to the Cosmos Hub stakeholders?
 - how will you communicate updates and how often?
 - how can the community observe your progress?
 - how can the community provide feedback?
 - how should the quality of deliverables be assessed? eg. metrics
 7. Relationships and disclosures
 - have you received or applied for grants or funding? for similar work? eg. from the Interchain Foundation
 - how will you and/or your organization benefit?
 - do you see this work continuing in the future and is there a plan?
 - what are the risks involved with this work?
 - do you have conflicts of interest to declare?

Submitting a Community-Spend Proposal

If you have a final draft of your proposal ready to submit, you may want to push your proposal live on the testnet first. These are the three primary steps to getting your community-spend proposal live on-chain.

1. [Hosting the final draft](#) of your community-spend proposal with IPFS (InterPlanetary File System)
2. [Formatting the governance proposal](#) that will be on-chain
3. [Sending the transaction](#) that submits your governance proposal on-chain

Hosting the full community-spend proposal

When you've finalized your community-spend proposal draft, convert it to a PDF file. Upload the PDF to the IPFS network:

1. either by [running an IPFS node and the IPFS software](#), or
2. using a service such as <https://pinata.cloud>

Ensure that you "pin" the PDF file so that it continues to be available on the network. You should get a URL like this:

<https://ipfs.io/ipfs/QmSMGEoY2dfxADPfgoAsJxjjC6hwpSNx1dXAqePiCEMCbY>

Share the URL with others and verify that your file is publicly accessible.

The reason we use IPFS is that it is a decentralized means of storage, making it resistant to censorship or single points of failure. This increases the likelihood that the file will remain available in the future.

Formatting the governance proposal

Prior to sending the transaction that submits your proposal on-chain, you should create a JSON file. This file will contain the information that will be stored on-chain as the governance proposal. Begin by creating a new text (.txt) file to enter this information. When you're done, save the file as a .json file.

There are five (5) components:

1. Title - the distinguishing name of the proposal, typically the way the that explorers list proposals
2. Description - the body of the proposal that further describes what is being proposed and details surrounding the proposal
3. Recipient - the Cosmos Hub (hex-based) address that will receive funding from the Community Pool

4. Amount - the amount of funding that the recipient will receive in micro-ATOMs (uatom)
5. Deposit - the amount that will be contributed to the deposit (in micro-ATOMs "uatom") from the account submitting the proposal

Once on-chain, most people will rely upon network explorers to interpret this information with a graphical user interface (GUI).

Simple example

In this simple example (below), a network explorer will list the governance proposal as "Community Pool Spend." When an observer selects the proposal, they'll see the description. Not all explorers will show the recipient and amount, so ensure that you verify that the description aligns with the what the governance proposal is programmed to enact. If the description says that a certain address will receive a certain number of ATOMs, it should also be programmed to do that, but it's possible that that's not the case (accidentally or otherwise).

The amount is 1000000uatom. 1,000,000 micro-ATOM is equal to 1 ATOM, so recipient address `cosmos1qgfdn8h6fkh0ekt4n4d2c93c5gz3cv5gce783m` will receive 1 ATOM if this proposal is passed.

The deposit 512000000 uatom results in 512 ATOM being used from the proposal submitter's account. There is a minimum deposit required for a proposal to enter the voting period, and anyone may contribute to this deposit within a 14-day period. If the minimum deposit isn't reach before this time, the deposit amounts will be burned. Deposit amounts will also be burned if quorum isn't met in the vote or if the proposal is vetoed.

```
{  
  
"title": "Community Pool Spend",  
  
"description": "This is the summary of the key information about this proposal. Include  
the URL to a PDF version of your full proposal.",  
  
"recipient": "cosmos1qgfdn8h6fkh0ekt4n4d2c93c5gz3cv5gce783m",  
  
"amount": [  
  
  {  
  
    "denom": "uatom",  
  
    "amount": "1000000"  
  
  }  
  
]
```

```
],  
"deposit": [  
  {  
    "denom": "uatom",  
    "amount": "512000000"  
  }  
]  
}
```

Real example

This is the governance proposal that [Gavin Birch \(Figment Networks\)](#) used to create [Prop23, the first successful Cosmos Hub community-spend proposal](#).

You can query the proposal details with the `gaiacli` command-line interface using this command: `gaiacli q gov proposal 23 --chain-id cosmoshub-3 --node cosmos-node-1.figment.network:26657`

You can also use [Hubble](#) or `gaiacli` to query the transaction that I sent to create this proposal on-chain in full detail: `gaiacli q tx B8E2662DE82413F03919712B18F7B23AF00B50DAEB499DAD8C436514640EFC79 --chain-id cosmoshub-3 --node cosmos-node-1.figment.network:26657`

Note: `"\n"` is used to create a new line.

```
{  
  "title": "Cosmos Governance Working Group - Q1 2020",  
  "description": "Cosmos Governance Working Group - Q1 2020  
funding\n\nCommunity-spend proposal submitted by Gavin Birch  
(https://twitter.com/Ether_Gavin) of Figment Networks  
(https://figment.network)\n\nFull proposal:  
https://ipfs.io/ipfs/QmSMGEoY2dfxADPfgoAsJxjC6hwpSNx1dXAqePiCEMCbY\n\nAmount to spend from the community pool: 5250 ATOMs\n\nTimeline: Q1  
2020\n\nDeliverables:\n1. A governance working group community & charter\n2. A  
template for community spend proposals\n3. A best-practices document for community
```

spend proposals\n4. An educational wiki for the Cosmos Hub parameters\n5. A best-practices document for parameter changes\n6. Monthly governance working group community calls (three)\n7. Monthly GWG articles (three)\n8. One Q2 2020 GWG recommendations article\n\nMilestones:\nBy end of Month 1, the Cosmos Governance Working Group (GWG) should have been initiated and led by Gavin Birch of Figment Networks.\nBy end of Month 2, Gavin Birch is to have initiated and led GWG's education, best practices, and Q2 recommendations.\nBy end of Month 3, Gavin Birch is to have led and published initial governance education, best practices, and Q2 recommendations.\n\nDetailed milestones and funding:\nhttps://docs.google.com/spreadsheets/d/1mFEvMSLbiHoVAYqBq8lo3qQw3KtPMEqDFz47ESf6HEg/edit?usp=sharing\n\nBeyond the milestones, Gavin will lead the GWG to engage in and answer governance-related questions on the Cosmos Discourse forum, Twitter, the private Cosmos VIP Telegram channel, and the Cosmos subreddit. The GWG will engage with stake-holders to lower the barriers to governance participation with the aim of empowering the Cosmos Hub's stakeholders. The GWG will use this engagement to guide recommendations for future GWG planning.\n\nRead more about the our efforts to launch the Cosmos GWG here:
<https://figment.network/resources/introducing-the-cosmos-governance-working-group/>\n\n_ Problem _\nPerhaps the most difficult barrier to effective governance is that it demands one of our most valuable and scarce resources: our attention. Stakeholders may be disadvantaged by informational or resource-based asymmetries, while other entities may exploit these same asymmetries to capture value controlled by the Cosmos Hub's governance mechanisms.\n\nWe're concerned that without establishing community standards, processes, and driving decentralized delegator-based participation, the Cosmos Hub governance mechanism could be co-opted by a centralized power. As governance functionality develops, potential participants will need to understand how to assess proposals by knowing what to pay attention to.\n\n_ Solution _\nWe're forming a focused, diverse group that's capable of assessing and synthesizing the key parts of a proposal so that the voting community can get a fair summary of what they need to know before voting.\n\nOur solution is to initiate a Cosmos governance working group that develops decentralized community governance efforts alongside the Hub's development. We will develop and document governance features and practices, and then communicate these to the broader Cosmos community.\n\n_ Future _\nAt the end of Q1, we'll publish recommendations for the future of the Cosmos GWG, and ideally we'll be prepared to submit a proposal based upon those recommendations for Q2 2020. We plan to continue our work in blockchain governance, regardless of whether the Hub passes our proposals.\n\nCosmos forum: <https://forum.cosmos.network/c/governance>\nCosmos GWG Telegram channel: <https://t.me/hubgov>\nTwitter: <https://twitter.com/CosmosGov>,

"recipient": "cosmos1hjct6q7npsspsg3dgvzk3sdf89spmlpfg8wwf7",

"amount": [

{

"denom": "uatom",

```
"amount": "5250000000"
}

],

"deposit": [

{

"denom": "uatom",

"amount": "12000000"

}

]

}
```

Sending the transaction that submits your governance proposal

This is the basic command for using `gaiacli` (the command-line interface) to submit your proposal on-chain: `gaiacli tx gov submit-proposal community-pool-spend <proposal.json> --from [key/address]`

This is the complete command that I could use to submit a community spend proposal right now: `gaiacli tx gov submit-proposal community-pool-spend proposal.json --from gavin --gas 500000 --fees 7500uatom --chain-id cosmoshub-3 --node cosmos-node-1.figment.network:26657`

1. `gaiacli` is the command-line interface client that is used to send transactions and query the Cosmos Hub
2. `tx gov submit-proposal community-pool-spend` indicates that the transaction is submitting a community-spend proposal
3. `--from gavin` is the account key that pays the transaction fee and deposit amount
4. `--gas 500000` is the maximum amount of gas permitted to be used to process the transaction
 - the more content there is in the description of your proposal, the more gas your transaction will consume
 - if the number isn't high enough and there isn't enough gas to process your transaction, the transaction will fail

- the transaction will only use the amount of gas needed to be processed
- 5. `--fees` is flat rate incentive for a validator to process your transaction
 - the network still accepts zero fees, but many nodes will not transmit your transaction to the network without a minimum fee
 - many nodes (including the Figment node) use a minimum fee to disincentivize transaction spamming
 - 7500uatom is equal to 0.0075 ATOM
- 6. `--chain-id cosmoshub-3` is Cosmos Hub 3
 - the testnet chain ID is [gaiia-13007](#)
- 7. `--node cosmos-node-1.figment.network:26657` is using Figment Networks' node to send the transaction to the Cosmos Hub 3 network

Note: be careful what you use for `--fees`. A mistake here could result in spending hundreds or thousands of ATOMs accidentally, which cannot be recovered.

Verifying your transaction

After posting your transaction, your command line interface will provide you with the transaction's hash, which you can either query using `gaiiacli` or search the hash with [Hubble](#). The hash should look something like this:

```
B8E2662DE82413F03919712B18F7B23AF00B50DAEB499DAD8C436514640EFC79
```

You can see whether or not your transaction was successful with Hubble:

The screenshot shows the Hubble web interface. At the top, there is a navigation bar with the Hubble logo, a search box for "Search Cosmos Hub", and links for "Cosmos Hub 3", "Dashboard", and "Account". Below the navigation bar, the page title is "Cosmos — Cosmos Hub 3" with a "Summary" button and an information icon. The transaction hash is displayed as "TX B8E2662DE82413F03919712B18F7B23AF00B50DAEB499DAD8C436514640EFC79".

This screenshot provides a detailed view of the transaction details. The main section is titled "Transaction Details" and shows the transaction type as "MsgSubmitProposal" with the content:


```
{\"type\": \"cosmos-sdk/CommunityPoolSpendProposal\", \"description\": \"Cosmos Governance Working Group submitted by Gavin Birch (https://twitter.com/Ether_G...\", \"full_proposal\": \"https://ipfs.io/ipfs/QmSMGEoY2df...\", \"amount_to_spend\": \"5250 governance working group community & charter\", \"practices_document\": \"A best-practices document for parameter changes (three)\", \"monthly_gwg_articles\": \"three\", \"q2_2020_recommendations\": \"One Q2 2020 Month 1, the Cosmos Governance Working Group (G...\", \"by_end_of_month_2\": \"Gavin Birch is and Q2 recommendations.\", \"by_end_of_month_3\": \"Gavin education, best practices, and Q2 recommendations.\", \"funding\": \"https://docs.google.com/spreadsheets/d/1...\", \"beyond_milestones\": \"Beyond the milestones, Gavin will lead questions on the Cosmos Discourse forum, Twitter, the\"}
```

 To the right of the details, there are three summary cards:

- Height:** 424035
- Result:** SUCCESS
- Timestamp:** 2020-01-15 @ 06:51 UTC

Troubleshooting a failed transaction

There are a number of reasons why a transaction may fail.

1. Running out of gas - The more data there is in a transaction, the more gas it will need to be processed. If you don't specify enough gas, the transaction will fail.
2. Incorrect denomination - You may have specified an amount in 'utom' or 'atom' instead of 'uatom', causing the transaction to fail.

If you encounter a problem, try to troubleshoot it first, and then ask for help on All in Bits' Cosmos forum: <https://forum.cosmos.network/c/governance>. We can learn from failed attempts and use them to improve upon this guide.

Submitting your proposal to the testnet

I intend to expand this guide to include testnet instructions. You may want to submit your proposal to the testnet chain before the mainnet for a number of reasons:

1. To see what the proposal description will look like
2. To signal that your proposal is about to go live on the mainnet
3. To share what the proposal will look like in advance with stakeholders
4. To test the functionality of the governance features

Submitting your proposal to the testnet increases the likelihood that you will discover a flaw before deploying your proposal on mainnet. A few things to keep in mind:

- you'll need testnet tokens for your proposal (ask around for a faucet)
- the parameters for testnet proposals are different (eg. voting period timing, deposit amount, deposit denomination)
- the deposit denomination is in 'muon' instead of 'uatom'

Appendix: Templates

PDF proposal attachment template

[Title]

[Name and/or organization]

[Date]

Each of these subheadings:

1. Summary - the key details of the proposal
 - who is submitting the proposal
 - the amount of the proposal
 - the items being delivered deliverable
 - the date for which the deliverables will be met
 - a short summary of the history (what compelled this proposal), solution that's being presented, and future expectations Assume that nobody will read beyond this point.
2. Applicant(s) - the profile of the person(s)/entity making the proposal
 - who you are and your involvement in Cosmos and/or other blockchain networks
 - an overview of team members involved and their relevant experience
 - brief mission statement for your organization/business (if applicable) eg. website
 - past work you've done eg. include your Github
 - some sort of proof of who you are eg. Keybase
3. Problem - generally what you're solving and/or opportunity you're addressing
 - past, present (and possibly a prediction of the future without this work being done)
4. Solution - generally how you're proposing to deliver the solution
 - your plan to fix the problem or deliver value
 - the beneficiaries of this plan (ie. who will your plan impact and how?)
 - follow the "as a user" template ie. write a short user story about the problem you are trying to solve and how users will interact with what you're proposing to deliver (eg. benefits and functionality from a user's perspective)
 - voters should understand the value of what you're providing in a simple way
 - your reasons for selecting this plan
 - your motivation for delivering this solution/value
5. Funding - amount and denomination proposed eg. 5000 ATOM
 - the entity controlling the account receiving the funding
 - consider an itemized breakdown of funding per major deliverable

- consider outlining how the funds will be spent
- 6. Deliverables and timeline - the specifics of what you're delivering and how, and what to expect
 - what are the specific deliverables? (be detailed)
 - when will each of these be delivered?
 - will there be a date at which the project will be considered failed if the deliverables have not been met?
 - how will each of these be delivered?
 - what will happen if you do not deliver on time?
 - what is the deadline for the project to be considered failed?
 - do you have a plan to return the funds?
 - how will you be accountable to the Cosmos Hub stakeholders?
 - how will you communicate updates and how often?
 - how can the community observe your progress?
 - how can the community provide feedback?
 - how should the quality of deliverables be assessed? eg. metrics
- 7. Relationships and disclosures
 - have you received or applied for grants or funding? for similar work? eg. from the Interchain Foundation
 - how will you and/or your organization benefit?
 - do you see this work continuing in the future and is there a plan?
 - what are the risks involved with this work?
 - do you have conflicts of interest to declare?
- 8. Appendix - any attachments eg. tables, photos, statistics, graphs

On-chain proposal template

Save the following in a JSON file in preparation for the transaction to submit the proposal on-chain.

```
{
```

```
"title": "Community Pool Spend Title",
```

```
"description": "This is the summary of the key information about this proposal. Include the URL to a PDF attachment that details your full proposal. Assume that nobody will read the PDF, so include your summary here--the key details of the proposal. 1) who is submitting the proposal 2) the amount of the proposal 3) the items being delivered 4) the date for which the deliverables will be met 5) a short summary of the history (what compelled this proposal), solution that's being presented, and future expectations. Remember that new lines require a '\n' for each.",
```

```
"recipient": "cosmos1qgfdn8h6fkh0ekt4n4d2c93c5gz3cv5gce783m",
```

```
"amount": [
```

```
{  
  "denom": "uatom",  
  "amount": "1000000"  
}
```

```
],
```

```
"deposit": [  
  {
```

```
    "denom": "uatom",  
    "amount": "512000000"  
  }
```

```
]
```

```
}
```