

EvolveNP White Paper

An Autonomous, Rule-Based Fundraising Protocol for Nonprofits

Version: 1.0

Date: November 2025

Network: Ethereum (EVM-compatible support planned)

Abstract

EvolveNP is a fair-launch fundraising protocol that routes on-chain value to nonprofit organizations without platform custody. A small, configurable fee on token transfers (when enabled) accrues to an **autonomous Treasury**. On a periodic cadence, the Treasury executes a **fundraising event** that forwards a capped amount to a **Donation Wallet** (which swaps to USDC and forwards 100% to a **Nonprofit-controlled Safe**) and **burns** an equal amount of tokens—reducing circulating supply. Liquidity resilience is maintained via **Treasury-funded Protocol-Owned Liquidity (POL)** top-ups: an **hourly** LP health check triggers swap-and-add when LP falls below a threshold. The protocol combines **transparent, bounded rules** with **non-custodial governance** (a 3-of-5 Safe controlled by the nonprofit, with two EvolveNP emergency seats that cannot move funds) to create an auditable, automated flow of support.

1. Motivation & Problem Statement

- **Manual fundraising is slow and opaque.** Donors and supporters rarely see a transparent, continuous flow of funds tied to community activity.
- **High cost to raise a dollar.** Traditional fundraising and intermediaries often drive up acquisition and processing costs; automation and on-chain rails aim to lower the effective cost of each donated dollar reaching the nonprofit.
- **Liquidity fragility deters participation.** Thin liquidity leads to unstable pricing and poor user experience.

Goal: Provide nonprofits and their supporters an **automated, simple and auditable** mechanism where community activity gradually and predictably routes value to a nonprofit-controlled wallet—while safeguarding liquidity and user trust.

2. Design Principles

1. **Non-custodial for EvolveNP.** Custody sits with a nonprofit-controlled **3-of-5 Safe**. EvolveNP has **no signing authority to move funds**; its two emergency seats can only co-sign security actions (e.g., pauses), not transfers.
2. **Automation over discretion.** Contracts execute bounded rules; if guards fail, actions skip rather than force. Neither EvolveNP nor the nonprofit can change core mechanisms post-launch; only emergency pauses are available.
3. **Fair launch.** No insider allocations, whitelists, or preferential access.
4. **Liquidity resilience.** Hourly, Treasury-funded **POL top-ups** keep LP above a target band.
5. **Transparency.** Every critical action emits events and is reflected on a public dashboard.

6. **Parameter guardrails.** Timelocked, evented updates; emergency pauses are immediate.
 7. **Compliance-aware communications.** Tokens are symbolic/utility-oriented; no profit promises.
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3. System Architecture (Overview)

Core contracts and actors:

- **Fundraising Token (ERC-20).** Standard token; optional fee accrues to the Treasury.
- **Treasury (Autonomous).** Accumulates tokens, runs **hourly LP checks** (POL top-ups) and **periodic fundraising events** under strict thresholds/guards.
- **Donation Wallet (Converter & Forwarder).** Closed-intake; only accepts Treasury tokens, swaps to **USDC** via allow-listed routers with tight slippage/TWAP bounds, and forwards 100% to the **Nonprofit Safe**.
- **Liquidity Manager.** Executes swap-and-add for POL.
- **Nonprofit Safe (3-of-5).** Primary custody with 3 NP signers + 2 EvolveNP emergency signers; EvolveNP cannot move funds.
- **Automation (Keepers).** Cron-like triggers for `checkAndTopUpLP()` (hourly) and `attemptCycle()` (e.g., monthly).

Data flows:

1. Trading may apply a small fee → **Treasury**.
 2. **Hourly:** Treasury checks LP health and, if needed, performs **POL top-up**.
 3. **Periodic:** Treasury executes **send & burn** when thresholds and guards pass.
 4. Donation Wallet swaps to **USDC** within bounds → forwards 100% to **Nonprofit Safe**.
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4. Launch Mechanics (Fair-Launch)

- **Initial Liquidity:** Seed a DEX pool with ~**3–7 ETH** (or equivalent) paired with tokens.
- **Initial Allocations:** **75%** of total supply to public LP at launch; **25%** to the **Treasury**. No private or insider allocation.
- **LP Receipts:** Burn/lock launch LP receipts to reduce rug risk and deepen trust.
- **Anti-Sniping (first ~1 hour):**
 - Short hold on first N blocks after liquidity add.
 - **1-minute** per-wallet buy cooldown.
 - **0.333%** of total supply max buy per transaction.
- **Alternative:** LBP or AMM-assisted price discovery if desired.

5. Components & Mechanics

5.1 Fundraising Token (ERC-20)

- **Fee on Transfer (if conditions met):** e.g., ~1% when enabled; routes to the **Treasury**. Routers/exchanges may be exempt for technical reasons.
- **Auto-Disable at Treasury Max:** If Treasury $\geq 30\%$ of total supply, fee becomes 0% until below the cap.
- **Emergency Pause:** `pauseFees()` halts fee-taking and launch limits; transfers continue as plain ERC-20. `unpauseFees()` restores configured behavior (subject to §8).

5.2 Treasury (Autonomous Contract)

- **Thresholds:**
 - **Minimum: 15% of circulating supply** → below this, **no fundraising event**.
 - **Maximum: 30% of circulating supply** → transaction **fee disabled** until Treasury drops below 30%.
- **Hourly LP Health Check (POL):**
 - If LP depth $< 5\%$ of circulating supply, perform **Treasury-funded swap-and-add** to target $\sim 6.5\%$ ($\approx +1.5\%$).
 - Strict **per-attempt notional caps**, **slippage** and **TWAP** guards; **hysteresis** prevents oscillation.
- **Periodic Fundraising Event(e.g., monthly):**
 - Triggered by automation via `attemptCycle()`.
 - If guards pass, **send 2% of the Treasury balance** to the Donation Wallet and **burn 2% of the Treasury balance**.
 - **No routine market selling.** The Treasury **only trades** to perform LP top-ups under the hourly check.
- **Emergency Pause:** `pauseCycle()` / `unpauseCycle()`.

5.3 Donation Wallet (Converter & Forwarder)

- **Closed Intake:** Accepts **only** the Fundraising Token from the **Treasury**.
- **Swap to USDC:** Use a single audited router (e.g., Uniswap V2/V3) with **max slippage $\leq 0.8\%$** and **TWAP deviation $\leq 2-3\%$** .
- **Forward 100% to Nonprofit Safe:** If already-stable assets arrive via approved paths, forward directly.
- **Rate Limits:** Per-cycle notional caps, **cooldown ≥ 7 days**.
- **Sink Lock:** USDC forwarded **only** to the **Nonprofit Safe** (immutable or timelocked change).
- **Emergency Pause:** `pauseSwapAndForward()` / `unpauseSwapAndForward()`.

5.4 Nonprofit Safe (Primary Custody)

- **3-of-5 Multisig:** 3 nonprofit signers + 2 EvolveNP emergency signers using Ledger hardware.
 - **NP-Only Quorum Rule (policy / optional Safe Guard):** Outbound movements (e.g., to CEX) require ≥ 3 NP signatures; EvolveNP signatures **do not count** toward this threshold.
 - **Emergency Role:** EvolveNP seats can co-sign **pause/unpause/skip** or parameter updates when security-critical; they **cannot move funds**.
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6. Flow of Funds

1. **Trading** occurs on a DEX; when enabled, a **small fee** accrues to the **Treasury**.
 2. **Hourly LP Check:** If $LP < 5\%$ of circulating supply, the **Treasury** executes a **POL top-up** to target $\sim 6.5\%$.
 3. **Treasury Accumulation:** Below **15%**, **no** fundraising event; at/above **30%**, **fees disable** (0%) until back below the cap.
 4. **Periodic Cycle:** Automation triggers `attemptCycle()`; if guards pass, Treasury **sends** a capped amount to the **Donation Wallet** and **burns** an equal amount.
 5. **Donation Wallet:** Verifies Treasury source $\rightarrow$ swaps tokens to **USDC** within bounds $\rightarrow$ forwards **100%** to the **Nonprofit Safe**.
 6. **Events & Telemetry:** `FeeTaken`, `LPTopUp`, `CycleExecuted/Skipped`, `SwapExecuted/Skipped`, `Forwarded` are emitted for full transparency.
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7. Security Model & Threat Considerations

- **EvolveNP Non-Custodial Guarantees:** No platform key can seize or redirect funds. Donation Wallet is **closed intake**; Sink is **locked to NP Safe**.
- **Role Separation:** Pause/unpause owned by the **Safe**; EvolveNP emergency seats cannot move funds.
- **Timelock for Non-Emergency Updates:** Parameter changes (within bounds) use **24–72h** timelocks with on-chain events.
- **Swap Guards:** Slippage and TWAP bounds; per-attempt caps and cooldowns.
- **LP Hysteresis:** Top-ups only when $LP < 5\%$ and target $\sim 6.5\%$ to avoid thrashing.
- **LP Receipts Burn:** Reduces rug vectors.
- **Audits & Bounties:** External audit, formal verification where feasible; standing bug bounty.
- **Incident Runbook:** Public playbooks for pause procedures; published emergency contacts.

Threat Examples:

- **DEX price manipulation during swaps:** Mitigated by slippage/TWAP, caps, and cooldowns.
 - **Malicious token routing:** Donation Wallet closed to non-Treasury sources.
 - **Operator collusion:** NP-only quorum rule prevents EvolveNP-only movement; 3-of-5 ensures resilience.
 - **Keeper failure:** Cycles and checks **skip**, not force; can be re-triggered when conditions normalize.
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8. Governance & Controls

- **Owner:** The **Nonprofit Safe** administers pause roles and parameter updates (within bounds).
 - **Emergency Controls:**
 - **Token:** `pauseFees()` / `unpauseFees()`.
 - **Treasury:** `pauseCycle()` / `unpauseCycle()`.
 - **Donation Wallet:** `pauseSwapAndForward()` / `unpauseSwapAndForward()`.
 - **Timelock & Announcements:** Non-emergency changes are timelocked and emit events; emergency pauses are immediate.
 - **Public Registry:** Publish contract addresses, parameters, and audit links.
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9. Parameters (Configurable Bounds)

- **Fee rate** and exemptions (routers/LP if needed).
 - **LP thresholds:** trigger < **5%**; target **~6.5%**; per-attempt notional cap.
 - **Treasury thresholds:** **15%** min (no cycle), **30%** max (fee disabled).
 - **Periodic cycle caps:** e.g., **2%** of Treasury balance **send** and **2% burn** per cycle.
 - **Donation Wallet:** Router allowlist; **slippage** ≤ **0.8%**; **TWAP deviation** ≤ **2–3%**; cooldown ≥ **7 days**; sink lock (USDC → NP Safe).
 - **Anti-sniping window:** N-block hold, 1-min buy cooldown, **0.333%** max buy/tx, 1-hour duration.
 - **Timelock:** 24–72h for non-emergency parameter changes.
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10. Compliance posture (informational, not legal advice)

Our protocol is designed to route value to nonprofits while minimizing reliance on discretionary, managerial actions and avoiding investment-style messaging. **Key elements:**

- **Open DEX trading.** No platform-run market; no trader KYC on our side.
- **Custody separation.** Funds are held in a nonprofit-controlled **3-of-5 Safe**; EvolveNP has **no authority to move funds**.
- **Automated, bounded rules.** Transfers may include a small fee (when enabled) that accrues to an autonomous Treasury; periodic **send & burn** and **Treasury-funded POL top-ups** run only when on-chain guards are satisfied.
- **Immutability & control limits.** Core mechanisms are **immutable post-launch**. Emergency controls allow **pause/unpause**; any adjustable parameters (if present) are **narrow-bound, timelocked (24–72h)**, and **announced on-chain**. Many deployments may elect to **permanently lock** parameters.
- **Communications standards.** We avoid profit-oriented framing; tokens are positioned as **symbolic/utility-oriented**. Public reporting and addresses are published for verification.

Disclaimer: This overview is informational only and not legal advice. Regulatory treatment varies by jurisdiction and facts. Nonprofits and supporters should consult independent counsel.

11. Observability & Public Reporting

- **On-Chain Events:** Fee, LP top-ups, cycle executions/skips, swaps, forwards.
 - **Public Dashboard:** Real-time surfacing of: fees accrued, Treasury balance, LP % of circ supply, top-up history, cycle metrics, USDC forwarded to NP Safe, burn totals.
 - **Changelogs:** Parameter updates with timelock events.
 - **Audit/Bounty Status:** Links and disclosures.
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12. Implementation Notes (Developer Appendix)

Contracts (suggested interfaces):

- **FundraisingToken** — ERC-20 + fee toggles/exemptions + `pauseFees()`.
- **Treasury** — `checkAndTopUpLP()`, `attemptCycle()`, `pauseCycle()`, thresholds, caps, router references.
- **LiquidityManager** — swap-and-add with guards (slippage, TWAP, caps).
- **DonationWallet** — closed intake, router allowlist, `pauseSwapAndForward()`, sink lock.

- **Registry** — addresses, parameters, audit metadata.

Automation cadence:

- **Hourly:** `checkAndTopUpLP()` (POL).
- **Periodic (e.g., monthly):** `attemptCycle()` (send & burn).
- **Backoff:** If guards fail (e.g., volatility), **skip** and retry on next window.

Event schema (examples):

FeeTaken(address from, address to, uint256 amount)

LPTopUp(uint256 lpPctBefore, uint256 lpPctAfter, uint256 tokenSpent, uint256 pairedReceived)

CycleExecuted(uint256 sentToDonation, uint256 burned)

CycleSkipped(string reason)

SwapExecuted(uint256 tokensIn, uint256 usdcOut, uint256 slippageBps)

SwapSkipped(string reason)

Forwarded(address to, uint256 usdcAmount)

Safety guards (non-exhaustive):

- Max slippage (≤ 80 bps), max TWAP deviation (≤ 200 – 300 bps).
- Per-attempt notional caps; per-period caps.
- Cooldowns (Donation Wallet ≥ 7 days).
- Hysteresis & min-distance between LP interventions.

13. Roadmap (illustrative, non-binding)

- **Nov–Dec 2025:** Third-party security **audit**, **GTM strategy** finalization, and **website launch**.
- **Jan 2026:** **Launch 3 initial nonprofits (NPs)**; begin **weekly NP launches** thereafter (subject to readiness and guardrails).
- **Mar 2026:** Introduce **multi-NP / one-token** coalition pilot. Continue operational **scale-up** across onboarding, observability, and support.
- **Jun 2026:** Initial **index constructs** for nonprofit **categories** (methodology disclosed pre-launch).

This roadmap is directional only and may change without notice. Timing depends on audit outcomes, partner readiness, and market conditions.

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14. Disclosures & Risk Factors

- **Smart contract risk:** Bugs or vulnerabilities could impact protocol behavior. External audits and bounties mitigate but cannot eliminate risk.
 - **Market risk:** Volatility can cause swaps to fail safeguards; actions skip but market conditions can change rapidly.
 - **Liquidity risk:** Sustained LP depletion may reduce trading quality even with POL top-ups.
 - **Operational risk:** Keeper outages or misconfiguration can delay cycles; Safe signer availability is required for certain actions.
 - **Regulatory risk:** Evolving guidance could impact operations or communications.
 - **Third-party risk:** AMM/router dependencies and oracle/TWAP assumptions.
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15. Glossary

- **Safe:** A multisig wallet (e.g., Gnosis Safe) requiring multiple approvals to move funds.
 - **POL (Protocol-Owned Liquidity):** Liquidity the protocol adds/controls to keep trading smooth.
 - **TWAP:** Time-Weighted Average Price, used to avoid swaps during extreme volatility.
 - **Hysteresis:** Design choice to avoid rapid flip-flopping around thresholds.
 - **Send & Burn:** Treasury sends a capped amount to Donation Wallet and burns an equal amount of tokens.
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16. Summary

EvolveNP combines **fair-launch distribution**, **nonprofit-controlled custody**, and **autonomous, bounded mechanics** to route value from community activity to real-world nonprofits. With **hourly Treasury-funded POL top-ups**, **periodic fundraising events**, and **transparent on-chain reporting**, the protocol aims to make on-chain philanthropy **safer, clearer, and more reliable** for everyday supporters and nonprofit treasurers alike.

Disclaimer: This white paper is for informational purposes only and does not constitute legal, tax, investment, or financial advice. Parameters are configurable within on-chain guardrails and may evolve via timelocked, publicly announced updates. Nonprofits maintain custody via a 3-of-5 Safe; EvolveNP emergency seats cannot move funds. All actions are subject to contract code and prevailing network conditions.