

# What is DAO?

A decentralized autonomous organization (DAO) is a type of digital organization that operates without a central authority. DAOs often exist to raise money for a particular cause or project and are typically governed by blockchain-based rules written into code that is then updated over time by either stakeholder in the organization or through computer algorithms.

DAOs offer an innovative solution to organizing and raising funds for causes you care about. By uniting strangers online in building projects and campaigns that matter, these DAOs offer an efficient means to mobilize funding in support of society at large.

What Are DAOs (Distributed Autonomous Organizations) DAOs, short for Distributed Autonomous Organizations, are an emerging form of blockchain-based organization structure which utilizes smart contracts and tokens as its operating model to create decentralization while increasing accountability.

Programmers create DAOs by writing smart contracts that outline how financial transactions will take place automatically, mint new coins and allocate votes. As voting results dictate changes to this document, DAO creation and management become much more flexible than with traditional organizations.

Members joining a DAO often purchase governance tokens to gain voting rights, with token holders being rewarded by way of either ownership of their tokens or by way of dividend payments.

Voting is conducted using blockchain, providing a seamless and transparent method to vote on changes. Votes cast are recorded and publicly viewable to ensure users make responsible voting choices.

Not to say a DAO cannot ever become corrupted - after all, it is an intricate network that must be carefully managed by a team of people - but the structure may be less susceptible than traditional corporate structures due to not having one single leader making decisions unilaterally or manipulating books.

DAOs must be structured correctly in order to protect investors' interests since these entities are unregulated by governments but may still be subject to local laws and regulations that vary across jurisdictions. Furthermore, their legal structures can often be difficult to comprehend.

DAOs may be either permissioned or open-sourced; however, most use DAOs with permissioned approaches as opposed to open source. They're usually ideal for human-centric organizations like charities, worker collectives, and investment clubs.

Share-based DAOs provide members with an opportunity to exchange assets among themselves or trade them, with some governance mechanisms rewarding contributors with shares in the Treasury. Such entities may be ideal for smaller, community-oriented endeavors that do not require significant capital outlays.

These are just some of the many types of DAOs currently in operation; there are plenty of others and other ways you can contribute. Support a charity, volunteer at an event, or participate in social impact initiatives - there's sure to be a DAO out there that meets your needs! For more information check <https://decentraclub.co/what-is-a-dao/>.