

LETS Fundamentals

- *A LETSystem is a trading network supported by its own internal currency. It is self-regulating and allows its users to manage and issue their own “money supply” within the boundaries of the network.*
- *LETSystems are community based non-profit systems that enable members to exchange goods and services using little or no cash. It is a method of trading that depends on skills and time instead of money, exchanging a unit of local currency (Gibs), to complement the current system of trade.*
- *LETSystems do not issue any money; each person creates their own.*
- *The money only exists as numbers moving from account to account. The recording of these transactions is done online.*
- *All accounts begin at zero. For one account to move up, another must move down. So, at any one time, approximately half of the members will have a negative balance and the other half, a positive balance.*

What can you trade?

- Language tuition
- Gardening
- Cooking
- Grocery shopping
- Excess garden produce
- Painting
- Cleaning
- Maths tuition
- Writing
- Car washing
- Lawn mowing
- Photography
- Babysitting
- Pet sitting
- House sitting
- Yoga instruction
- Dog walking
- Computer repairs
- Computing tuition
- Sewing
- Household repairs
- Music tuition
- Hairdressing

...just about anything

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Community Exchange
Southern Highlands

LETS: develop a local currency



Community Exchange Southern Highlands is a LETSystem, which helps local people trade goods and services with one another.

It promotes local employment by using the community's true wealth—the skills and energy of its people.

Frequently Asked Questions

Q. Who can join CESH?

Anyone: aged people, tradesmen, children, professionals, unemployed and businesses. However, the committee has the right to veto any membership not considered to be in the best interests of the group.

Q. Are there limits applied to my trading?

No, and no repayment or spending schedule is applied to members.

Q. Must I trade?

Not unless you wish to maintain lifetime membership; then you must trade at least every two years.

Q. What if someone has a negative balance?

Not much happens, although the committee reserves the right to call up the account.

Q. How are goods and services valued?

In line with the LETS philosophy of everyone's time and energy being equal, CESH recommends a base rate of about 25 Gibs an hour.

Q. Can people profit from our trading?

LETSystems are cost-of-service, not-for-profit systems run and operated by the members. No person or organization outside the system can profit or benefit from the system.

Q. What about potential abuse?

The potential exists for an individual to take and not return. If this does happen, the people who have received payment can trade unimpaired and there is no effect on the structural integrity of CESH.

Account balances and turnover are visible to all members, so members can identify those who

buy only and choose whether to trade with them.

Q. What about Centrelink?

Centrelink supports the idea of non-profit community trading systems and exempts all LETSystem income from declaration, so it will not affect any benefit or pension. However, you should not allow CESH trading to interfere with your obligations to be available for work or training.

Q. What about the Australian Taxation Office?

CESH has no obligation to report to taxation authorities nor to collect taxes.

The ATO considers barter or counter-trade transactions to be tax assessable and deductible to the same extent as a similar cash transaction. Income associated with a hobby, pastime, domestic or social arrangement is not taxable. Businesses are liable to taxation on the profits of any LETS transactions in the same way as for cash transactions.

Q. Are there any risks?

Not unless you choose to take some. Participation does not make you liable for the affairs of the other members or for the LETSystem itself.

It is in your interest to obtain the current cost of similar goods and services outside CESH and ask for a written quote for large amounts of work. If the trade is a cash/Gibs transaction, negotiate the ratio before trading or working. Check that your household liability insurance covers workers employed on your property.

Q. Who guarantees the goods and services offered?

CESH does not control or monitor rates charged or the quality of the work performed. However, normal consumer affairs and Small Claims Tribunal rules do apply and if there is conventional protection for services performed, these also apply with local currency trading. No warranty or guarantee is expressed or implied for claims for injury or damages of any nature arising from trade between members.

Q. What charges are applied?

Lifetime membership fees are \$25 for a single membership and \$30 for a family or business membership. Administration fees of G20 for single members, G30 for family members and G40 for group/business members are deducted each year from members' accounts.

Each transaction attracts a 4% levy for both parties.

Q. How will CESH communicate with members?

The CESH committee may telephone or email you from time to time with important business. Usually, events and new members will be published in Transition Shire News (TSN). Upon becoming a member, you will be added to the distribution list to receive it by email bi-monthly.

Q. What is the confidentiality policy of CESH?

All account and trading details are confidential. However, any account holder may know the balance and turnover of another. Members' phone numbers, email addresses and street addresses are printed in TSN and the Register (which will be available on the CESH website).

Q. How are accounts managed?

CESH is a member of the online Community Exchange System, which facilitates management of accounts. When you receive a cheque from another member, you can access CES to move Gibs from their account to yours.

Q. What if I don't have access to a computer?

You can use the local library computers, or you can leave your "cheques" in the CESH box in *Sophie's Books*, Bowral, and the office staff will process them for you. TSN will be sent to you in paper form. This brings with it a one-off charge of \$25, payable upon registration.