

# **LETS & Business Workshop**

**Learn how to do business with LETS principles.  
Value yourself and thrive in business.**



**Belinda Moore**  
**National LETS Conference 2015 Booklet**

**[tablelandlets.org](http://tablelandlets.org)**

**Phone 40966972**

**Email [tablelandlets@gmail.com](mailto:tablelandlets@gmail.com)**

## LETS AND BUSINESS - INTRODUCTION

Collaborative living (consumption, finance, etc) is a newly popular paradigm. Many people seem to be seeking a sea change, tree change, downshifting, side stepping... LETS is complimentary to this shift in many ways. LETS is about lifestyle and relationships, not about profit. That's not to say you can't profit from your LETS transactions, because in so many ways it can improve your life, including saving you money.

LETS is often a platform for people to launch a business. Through LETS one can often test a product range or service on a 'safe' market without huge overheads or formalities. Trading in LETS offers cash savings for your business. When starting a new business or trialling a new product or service, this can be of great benefit. There are LETS folk who have created successful businesses from a hobby they tested through LETS, and who still trade within LETS. Over the years, there have been many businesspeople in LETS, offering professional services (eg: solicitor) and personal services (eg: hairdressing) as well as a variety of goods – almost anything you can think of from a banana to a car! Like most LETS participation, this ebbs and flows with the changes in individuals' lifestyles and focus. Just because businesses have left LETS, doesn't mean it didn't work for them. There are currently about a dozen Tableland LETS accounts trading under a Company account (business), and at least twice that many again trading under their own name but participating with their everyday business in LETS.

Word-of-mouth is the best advertising. LETS is built on trust. It is often said that LETS is not about the Bartles, but about relationships. It's about networking within our local community with others of like-mind - those who will willingly share and trust, and believe that there is space for alternatives to consumerism.

### **Example:**

You may use LETS to move surplus stock. When I traded in LETS with my retail business *Spiral Garden* for 3 or 4 years, I usually offered items I would have put on Special for 100% Bartles instead. I offered other stock for 50% Bartles up to purchases of \$200, and when I accumulated too many Bartles I took the Offering down until I was able to spend them effectively. This was in the early days when we had a fraction of the Offerings available today. I was also able to use Bartles to buy handmade items for stock, so for me it was quite easy to integrate my sole trader business into my LETS trading. And today, I would find it even easier as the Offerings have increased dramatically and I could spend my Bartles on even more everyday expenses for my household.

Almost everyone trading in LETS is carrying on a business-like relationship with others. They have goods and/or services on offer, and they are earning Bartles through these, and spending Bartles to maintain the balance. It's exactly the same for business, except amplified! How LETS and your business will interact depends on the type of business you are running. For the sole trader, it will be more simple than for a company, for example. Offering services is easier than offering goods with a federal dollar (AUD\$) outlay.

For some businesses, the lines are more blurred. You could earn Bartles fixing others' computers, for example, but spend them on childcare or other personal expenses. So long as the energy coming in equals the energy going out, LETS should be able to benefit your business as well as your household budget.

## TAXATION MATTERS

Responsibility for any taxes owed is that of the account holders involved in the exchange. Tableland LETS accepts no obligation or liability to report to taxation authorities nor to collect taxes. LETS is not a tax-avoidance scheme.

The Australian Taxation Office's current position is essentially that they consider barter or countertrade transactions to be tax assessable and deductible to the same extent as a similar cash transaction. The ATO has declared that 1 LETS unit = \$1 for tax purposes. At the time of the ruling, Tableland LETS trustees argued that tax earned in a local currency should remain in the local community. We proposed a local fund for collecting LETS tax (in Bartles) that could be spent by a local authority on community services. However, this suggestion was rejected by the government.

Businesses are liable to taxation on the PROFITS of any LETS transactions in the same way as for cash transactions. The business is responsible for valuing the transaction in dollars and paying the appropriate tax in AUD\$.

Some businesses will charge a % of their price in AUD\$ to ensure they can cover their tax obligations. Up to 50% AUD\$ is permissible within the Community Exchange System.

The information provided in this workshop booklet is general information only, and you should seek the advice of your accountant or the ATO with any specific questions.

Here is a link to specific legal information:

<http://law.ato.gov.au/atolaw/view.htm?locid=%27GST/GSTR200314/NAT/ATO>

There is a free general information available from the ATO here:

<http://www.ato.gov.au/Non-profit/Income-tax/In-detail/Calculating-taxable-income/Bartering-and-barter-exchanges/>



## **Keep your trading as a business SUSTAINABLE.**

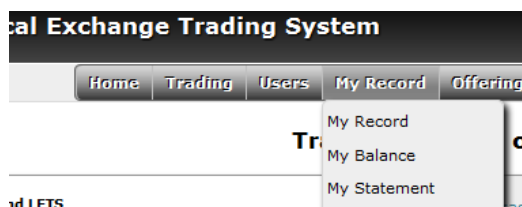
### **Ways to do this include:**

- \* Remember that there is never any obligation to trade. If you have a high Bartle balance, that is your responsibility to address, it is not a failing of the system.
- \* Only offer for Bartles what you can spend Bartles on (eg: if you spend 100 Bartles a week on a cleaner for your office, budget to offer only 100 Bartles a week of services from your office).
- \* Tableland LETS works with -1000 and +1000 limits – with the goal always being zero. This is a paradigm shift for business! No accumulation of wealth! Some business accounts have had their limits increased as their expenses are seasonal (eg: produce) or they may do one job worth many hundreds of Bartles, or more (eg: tradesman). This is negotiated between the account holder and Admin, and may vary up to approximately 3000 Bartle limits, depending on trading history.
- \* Take it slowly. Don't put up Offerings if you can't spend the Bartles earned.
- \* Put up as many Wants as you can imagine! Just a few examples from our local exchange of Offerings which may be available for Bartles include:
  - cleaning – offices, lunchrooms, bathrooms, car, house, shed, workshop
  - garden – at home or work
  - media releases/editorial for the papers
  - help with social media– setting up and maintenance/content management
  - advertising space in print media
  - graphic design (business cards, logos, etc)
  - printing, laminating, binding etc
  - Commissioner for Declarations (to witness some documents)
  - business support, motivation and advice – a mentor
  - telephone marketing and reception services
  - distribution of flyers
  - event or project management
  - web design and maintenance, and search engine optimisation for your website
  - human resource consultancy
  - financial management
  - time management and planning
  - small business management advice
  - resource management advice
  - book keeping, word processing, typing, filing, proof reading and other admin skills
  - general or skilled labour
  - stock (eg: for shop or market stall)
  - raw materials (eg: produce for your jam business)
  - catering for events, or the lunchroom fridge!

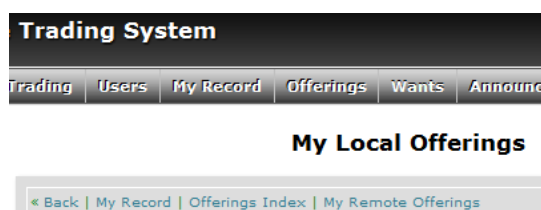
**... and remember to UPDATE your Wants often. They are emailed out with the Offerings on the 1<sup>st</sup> and the 15<sup>th</sup> of each month to the hundreds of other account holders in Tableland LETS across FNQ.**

## THINGS TO REMEMBER

Keep a record of your trades, you can print out your Statement from My Record at Community Exchange for book keeping purposes.



Update your Offerings and Wants regularly, to ensure they are valid. The reputation of your business relies on using the system in a professional manner.



Don't forget that you can trade with other groups – as close as Townsville or far away as Paris. Go to Offerings and select the correct fields to search for what you need. Services can be accessed remotely (such as web development – using email and phone for contact), or for travel (such as accommodation). You can also place your Offerings and Wants on other exchanges.

### Offerings Index

A screenshot of the 'Offerings Index' search interface. At the top, there are buttons for 'Add New' and 'Update', and a 'View/Print all:' link. Below this, the text reads 'View offerings of Tableland Local Exchange Trading System'. There is a section for 'Select another exchange:' with 'Country: Australia' and 'Exchange: Tableland LETS' selected. A search bar is labeled 'Search for offerings in:' with radio buttons for 'Tableland LETS' (selected), 'Australia', and 'All countries'. Below the search bar, there are links for 'Latest Offerings', 'Expired offerings', 'My local offerings', 'All offerings', and 'My remote offerings'. There are two date selection sections: 'Select offerings from a particular date:' with 'From: Day', 'Month', 'Year' dropdowns and 'View' buttons for 'Standard format' and 'Printer friendly format - opens in new window'. Below that is 'Offering categories:' with a 'Select...' dropdown. At the bottom, there is 'Other offering options' and 'Remote servers:' with a 'Select...' dropdown and the text '(View and search offerings on other CES servers)'. A '< Back' link is at the bottom left.

If you need assistance, ask your Local Area Contact, one of the admin (email [tablelandlets@gmail.com](mailto:tablelandlets@gmail.com) or phone 40966972) for free information, or employ someone within LETS for Bartles to advise you on effective use of the system.

# BARTERING SUCCESS

- Make a list of products or services you need, but are unable or unwilling to purchase with cash. Look at existing expenses for ideas. Look at current Offerings on Community Exchange. Look at others' Wants. It's okay for you to put up the same Offering or Want as someone else!
- Identify possible trading partners. These may include business associates or existing customers you can sign up to LETS, or current account holders in LETS.
- Gather references on the trading partner prior to opening negotiations if you feel this is necessary. Treat this like any other transaction.
- Document all agreements and procedures. Use the paperwork supplied by Tableland LETS and community exchange, and/or your own usual record keeping methods.
- Train staff on trading procedures which do not include standard invoices.
- Trade fairly, your reputation is at stake. Offer a product or service at advertised retail value. Do not over-inflate. Like attracts like – if you offer quality, you will attract quality.
- Always be sure a trade arrangement is in the best interest of both parties. Communicate! Don't make presumptions, or assumptions!

By observing a few rules, doing some homework and applying a good measure of common sense, most business can reap the rewards of trading through LETS. A better cash flow, new business and a fresh marketing path are within easy grasp.

Adapted from: <http://www.esmallooffice.com>



## Hobby or Business?

A **hobby** is something that the **income** derived is **not included** in your tax return, and the costs to conduct the hobby are also **not** tax deductible.

A **business** however is activity that is entitled to claim tax deductions and costs of expenses incurred to conduct the business – and the gross sales must be included as assessable income.

*Small Business & Tax* Lyndal Taylor – Revised Stephen J. Marsden 2010

## THINKING OUTSIDE THE MONEY BOX

“... I will describe a vision of a money system and an economy that is sacred, that embodies the interrelatedness and the uniqueness of all things. No longer will it be separate, in fact or in perception, from the natural matrix that underlies it. It reunites the long-sundered realms of human and nature; it is an extension of ecology that obeys all of its laws and bears all of its beauty.”

from the book *Sacred Economics* by Charles Eisenstein, which is available free online: <http://sacred-economics.com/readonline>. See a video featuring Charles and outlining his concept here: <http://www.upworthy.com/theres-a-new-old-way-to-think-about-money-are-you-ready-for-it?g=2>



There are more books in our LETS library you may choose to read if you are interested in learning more about the shift in consciousness that can change the way you do business:

*A World Without Poverty: Social Business and the Future of Capitalism* (2008) – by Muhammad Yunus  
*The LETSaholic Twist* (2005) - by James Taris  
*Everything you always wanted to know about LETS... but didn't know who to ask*  
*Small is Beautiful: Study of Economics as if People Mattered* - by E. F. Schumacher  
*Small is Possible: Life in a Local Economy* (2007) - by Lyle Estill  
*Local Dollars, Local Sense: How to Shift your Money from Wall Street to Main Street and Achieve Real Prosperity - A Community Resilience Guide* (2012) - by Michael Shuman  
*Deep Economy* (2007) - Bill McKibben  
*Agenda for a New Economy* (2010) - David C. Korten  
*Slow Money* - Woody Tasch - *investing as if food, farms and fertility mattered*  
*Healthy Money, Healthy Planet* - Deirdre Kent  
*Developing sustainability through new money systems*  
*Spirit of the Times (magazine) - Money issue* (2013)

Contact Jenni to find out how you can borrow any of these books – [jenkombi@gmail.com](mailto:jenkombi@gmail.com)

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**Want to read more? Type into your search engine or library catalogue any of the following terms:** social enterprise, slow money, crowd funding, local economic resilience building, restorative business practices, community strengthening, new economy, trust based economy, community economies, sustainable business, ethical jobs, localisation, local food, social capital, gift economy, microfinance, co-operatives, community-supported agriculture...

## READ MORE ONLINE

<http://www.business.qld.gov.au/business/starting/starting-a-business/calculating-your-costs-when-starting-a-business>

<http://blogs.hbr.org/2012/09/the-exploding-business-of-bart/>

<http://sbinformation.about.com/cs/smallbizlearning/a/barter.htm>

<http://www.businessweek.com/articles/2012-07-12/using-a-barter-exchange-to-conserve-cash>



## TIPS AND COMMENTS FROM PAST WORKSHOP PARTICIPANTS

“ My book keeper gets a copy of my LETS statement and it is treated just like a bank statement. It is easy for her to see what is personal and what is business by having a good description when recording transactions.”

“One problem I have if I have too many Bartles from selling my products is that I have to use them for claimable business expenses otherwise it doesn't have value for me. I can't just spend business earned bartles on personal stuff, eg: a pair of earrings. I need to manage both personal and business bartles. It has helped that there are more users in our system with a range of products and services. I have considered having separate accounts to make this easier.”

“One issue that larger businesses will have is that they will have to pay GST on Bartles and so need to be aware of that and make sure they have cash component to cover.”

In my book keeping system, I have a cash type account set up called Bartles and this differentiates LETS transactions for me.”

“I run a small business, and a very small portion of that is LETS transactions. On my invoices, I only display the Bartle amount for the customer to view. I do not account for them in any way. I simply don't know how to.”

“My business is small too, and my accounting program is a really old version of Quickbooks. When I opened the shop I created an account in Quickbooks called LETS and debit or credit bartles transactions to there. Then it can be reconciled if need be. Before that I just entered them as cash transactions too. Either way it all gets declared as income to the tax department.”