

### **What if I run up a large debit?**

In LETS, having a minus balance does not present a problem. LETS cheques cannot "bounce", and it is more important to keep trading than to keep your account in credit. If someone goes further and further into debit, a member of the Core Group could discuss the situation with them and offer advice. However, in LETS there is no embarrassment attached to having a minus balance. It is better to spend Hearts than to hoard them!

### **Is trading on LETS taxable?**

Most LETS trading is of an occasional "social favour" type, which is not taxable. However, if a member conducts trade on LETS as part of a regular business, any profits (after deducting business expenses and personal allowance) will be taxable in sterling. Such members should declare the Hearts earned in their normal line of work in their tax returns. They can ensure that they cover their tax liabilities by asking for a percentage in sterling.

### **Will earnings in Hearts affect my benefits?**

Most benefits should not be affected as long as claimants are not trading for more than 16 hours a week, and are available for work.

### **Does LETS deprive local traders of business?**

LETS can enable people who are short of cash to take advantage of services which they could not normally afford, thereby stimulating local trade. It can also help people to save their cash and spend more money in local shops. Because LETS is local, it helps to keep trade within the local area. It also encourages recycling.

## **CONTACT DETAILS**

*BrumLETS, 54-57 Allison Street, Digbeth, Birmingham, B5 5TH.*

*Tel: 0121 685 1155*

*Email: [info@brumlets.org.uk](mailto:info@brumlets.org.uk)*

*A member of the admin team is usually in the office on Wednesday afternoons. At all other times you can leave us a phone message, and we will respond as soon as we can.*

## **BrumLETS**

*LETS (Local Exchange Trading Scheme) enables people to trade services without exchanging money. People join a non-profit making club to exchange services, using their own local "currency" and accounting system. A directory of goods and skills is circulated - services offered can range from darning to computer skills, babysitting to counselling. Members trade with each other whenever they wish, writing out LETS "cheques" to pay for a service. These are sent to the treasurer, who records all transactions.*

## **How to Join**

To join BrumLETS, you pay an annual subscription in Sterling (£24 sustaining member, £12 waged, £5 concessions, £2.50 under 16s) - this covers administration costs. You submit a list of your skills, and anything else you wish to offer, eg. equipment for hire, and a list of services and goods that you need.

Please contact us by post, phone or email for an application form (see over for contact details). With your application form you will also receive a Members' Agreement - you should read this before you sign the form. Membership Application packs can also be downloaded from <http://www.brumlets.org.uk/>

## **Local Currency**

Our currency units are called Hearts. When you join, your Hearts account pays 15 Hearts (per year) to the administration account, which is used to pay the people who carry out the administrative work for LETS. On your application form you are asked to state a rate in Hearts for your services - we recommend 6 Hearts per hour for most services, but you are free to set your own rate, or put "neg" to indicate a negotiable rate.

It is worth remembering that, unlike the mainstream economy, LETS encourages people to place equal value on all services, from accounting to cleaning.

There are no debit or credit limits in BrumLETS, and no penalties are imposed for having a "minus balance" on your account.

## How to Trade

Once you have joined, you will receive a directory, members' list and cheque book (the members' list is confidential to BrumLETS members). You can now start to trade. Remember - you don't have to be in credit to trade.

- Look through the directory and find the services or goods you want.
- Contact the person who has placed the offer and negotiate the "deal".
- Once the service has been completed to your satisfaction, give the provider a LETS cheque for the agreed number of Hearts.
- It is the provider's responsibility to send the cheque to the Treasurer, who will log the transaction. Your account will be debited and the provider's credited.

Your first cheque book is free. New cheque books (containing 20 cheques) can be obtained from the Treasurer at a cost of 2 Hearts, or you can make your own cheques.

## How you keep in touch

You will receive regular updates to the directory, and you can update your entries at any time. A statement of your Hearts account will be sent to you annually. You can meet other members at LETS social events and members' meetings. An occasional newsletter is produced to which all members can contribute.

BrumLETS has a "Core Group" of active and experienced members who help with the running and development of LETS; members can approach them for advice, and can discuss new ideas with them.

You can also join the BrumLETS email group, which provides a quick and easy way to make contact with other members, and offer or ask for goods or services.

## COMMON QUESTIONS ABOUT LETS

### ***What if I don't have anything to offer?***

Everyone has something to offer. You don't need to be "skilled", just willing and available to help with ordinary tasks. LETS members can help others move house, hold up shelves while someone drills the holes, run errands or offer household help to someone who is very busy, ill or just stressed. You can give as much or as little time as you want - some members do the occasional hour or two here and there, others contribute whole days. Some jobs you can even do in your own home. And if you do have a special skill, so much the better.

### ***Can I trade if I have no Hearts in my account?***

YES! You do not have to be in credit to trade. Your account can go into debit ("minus balance") but no interest is charged. [In fact, as the total number of Hearts in the system is always zero, it wouldn't work at all if everyone tried to stay in credit all the time!] There are no credit or debit limits.

### ***What is a Heart worth?***

A Heart is approximately equivalent to £1, and some people charge exactly the same in Hearts as they might in £s for their goods or services. However, because there are no debit limits, LETS members find they can afford to be much more generous in Hearts than they could be with £s. Therefore, the value of the Heart is flexible, and it often depends on what the 2 people involved in the transaction agree upon.

### ***What if I still need cash?***

Hearts can be used along with cash. You can ask for a proportion in cash (eg. 25% cash, 75% Hearts) or for cash to cover materials, petrol etc. Only Hearts are recorded in your accounts.

### ***What if I'm not satisfied with someone's work?***

LETS functions on the basis of goodwill and trust, and problems like this are rare. However, you can try to avoid misunderstandings by agreeing in advance the price, timescale and standard of work, and you are free to ask the person about their qualifications and experience. If you have problems, a mediation service is available.

Normal trading laws still apply to LETS. In the very last resort, claims for compensation can be made in the county court.