

Welcome to Sheffield's Local Exchange Trading System! Please keep these pages somewhere safe for future reference.

Your questions answered

Question 1: How does the LETS system work?

Answer: Members are given a copy of the Sheffield LETS Directory and a special LETS cheque book. The Directory lists the addresses and phone numbers of all the other members along with details of the skills and services they are offering. Members contact each other directly when they want to make use of one of these services, and pay each other in local currency ('Stones'), using the special cheques. The cheques are then sent to the LETS office (address above), where all Stones transactions are recorded on a computer. Members receive regular account statements, updated Directories and newsletters. Because there's an accounting system to keep track of all your credits and debits, you don't need to do a straight swap with anyone. You can pay one member in Stones and do some work for someone else at a later date to restore your balance. LETS is much more flexible than a traditional barter system.

Question 2: Who runs the system?

Answer: Sheffield LETS is run by a Co-ordinating Team made up of ordinary members, like yourself, who are paid in Stones for their efforts. This group looks after the computerised accounts system, manages the sterling finances, produces directories, statements and newsletters, and promotes LETS. They also hold regular, open meetings, and organise social and trading events.

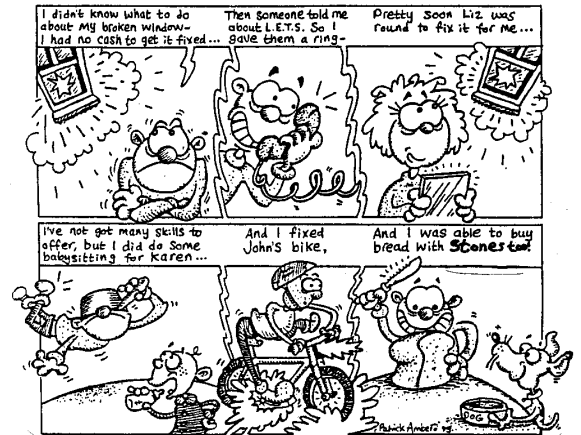
Question 3: How many Stones must I earn before I start spending?

Answer: None! You can start spending straight away and earn credits to balance your account when you are able. A debt is known as a 'commitment' (to the LETS system). No interest is ever charged or earned in LETS, and each of the members' accounts is open to inspection at any time by the other members.

Question 4: What if I don't have any skills to offer?

Answer: Many people think they don't have any skills to offer, but the LETS scheme values the kinds of skills that sometimes aren't recognised elsewhere. Everyone has something to offer: gardening, shopping, lending out equipment, cleaning, cooking, child-minding, house-sitting, painting and decorating, teaching, fixing and repairing, driving, DIY, doing accounts, looking after pets...

To find out what *your* skills are, ask yourself what you enjoy doing. Or sit down with a friend and talk about the things you are good at. Or take a look at the LETS Directory, which lists all the services currently on offer. Can you offer similar skills? Or, even better, different ones?



Question 5: How much should I charge?

Answer: A LETS Stone is roughly equivalent to a pound, but it's up to you to charge what you think is fair for a particular job. You could charge an hourly rate, a fixed fee for a piece of work, or simply negotiate each case. However, we recommend a minimum fee of 5 Stones per hour.

Question 6: What is an 'ideal LETS trader'?

Answer: The currency used in Sheffield LETS isn't like conventional money. If you're in credit, you don't earn any interest, and if you have a negative balance and are 'in commitment', you won't be charged any fees. So it doesn't really matter whether you have a positive or a negative amount in your LETS account. However, the best traders are those whose LETS accounts pass through zero regularly. We like people to stay within 500 stones in either direction. Some people like to impose a stricter limit on themselves.

The idea behind LETS is not to become either 'rich' or 'poor', but to trade as often as possible with other LETS members. This means making purchases and employing other members to help you out, as well as offering your own skills so that others can make use of them. So an 'ideal LETS trader' is someone who 'buys' as much and as often as they 'sell'!

Question 7: How do I get started?

Answer: The best way to find out how LETS works is to make a trade, using your copy of the LETS Directory as a guide. Who is offering a service that you could make use of? Who is selling something you'd like to buy? Give them a call! Sometimes this can seem a little daunting, but once you start, it's easy. And you'll find that once you've sought out other traders, they'll remember your name when *they* want to spend some Stones.

There are a number of other ways you can begin trading in Stones:

- by making face-to-face contact with other LETS members at one of our regular events, and by trading with them there (this really is an ideal way to get started – many LETS members begin trading in this way);
- by telephoning members who are requesting skills or goods that *you* have on offer;
- by helping the Co-ordinating Team. There are always opportunities to use your skills and earn some Stones, by delivering mail outs, helping at events, or doing some work in the LETS office. Or you could take on a specific task and become a full member of the team yourself. It's a good way to earn Stones and meet other people to trade with, and all the work is paid at 5 Stones per hour.

Question 8: Does being a LETS member affect my tax position and my entitlement to benefits?

Answer: Possibly. If you are a registered jobseeker, you must be available for work for a certain number of hours each week. Trading in LETS *may* therefore affect your entitlement. For tax purposes, the Inland Revenue treat LETS work as taxable if it is the same sort of work you do for a living. However, if the work is classed as a social or community favour, and not related to your general line of business, then the Tax Office probably wouldn't be interested. Members of Sheffield LETS haven't encountered any problems in these areas. This is currently a bit of a grey area, and Sheffield LETS (along with other LETS groups) is keen to have the situation clarified, and to have all LETS activity disregarded for tax and benefits purposes.

Why have a local currency?

One of the drawbacks of using conventional money is that there's never enough of it to go round. Almost as soon as you get some money, it's gone again. The problem is that money tends to drain away from wherever it is needed most.

In local communities there is often a great deal of useful, beneficial work that needs to be done, and many people who are willing to do it – but there's no money available to pay them.

LETS systems offer a novel solution to this problem – if there isn't enough money, we'll create our own instead!

This 'alternative money' is called a local currency. Because the money always stays in the local LETS system, it can't be stolen, misused, or diverted into harmful or unfair projects. Also, there's no point hoarding local currency, because it can't earn any interest! In fact, local currencies like Sheffield's Stone only really exist inside the memory of the computer used to do the accounts. The LETS cheques you write and the accounts statements you receive are just a record of the transactions you've been involved in.

Local currencies allow people to trade with each other as equals. They also allow people to become less dependent on the mainstream economy, and, by bringing different people together to trade in all sorts of goods and services, they can help to rebuild local communities.

