

SECTION 4:

MEMBERSHIP MANUAL - POSSIBLE OPERATING PRINCIPLES FOR A LETSYSTEM

SECTION 4: MEMBERSHIP MANUAL - POSSIBLE OPERATING PRINCIPLES FOR A LETSYSTEM

When Jill Jordan bought LETSystems to Australia, she also bought an operating manual initially prepared by Michael Lynton, explaining how LETS works, and making suggestions how a system could be established. The Maleny LETSystem, operating out of the Maleny Credit Union, later produced their own members manual, which has been widely distributed in Australia, and has been used by a number of communities to establish their own system. Other manuals have been produced from time to time.

In the research that preceded the production of this LETSystems Training Pack, trustees and members of systems suggested that a manual could contain information which could be used to assist LETS groups prepare their own members manuals. This section of the manual is intended to assist any LETSystem put together its own membership manual. It is not intended to establish any dogmatic "model" of what LETS is or how a system "should" operate. Already, enormous diversity has grown up between different LETSystems in Australia, and this diversity is expected to increase further, as different systems continue to adapt the basic framework of LETS to the needs of their locality.

Why then have a members manual at all? There are a number of purposes which it can serve. Such a manual could be used to

- provide a sense of welcome and inclusion to new members, making them feel valued as participants in your organisation, and
- clarify any difficulties that new members may have that would prevent them from trading, and therefore, stop them gaining from the benefits of LETS

In addition to information similar to that suggested below, you may like to include information (with a photo perhaps) in order to "personalise" your Trustees and Advisory Committee, talk about social events for new members and how contact can be made with your system (i.e. Office address, Post Office Box numbers, and Telephone contacts).

Definition of a LETSystem

It is easier to say what LETS is not rather than what it is.

a. LETS is not a barter system. In a barter economy only 2 people are involved in each transaction, and trading can only occur if each party has some good or service needed by the other person. LETS establishment an informal locally controlled community currency with many people involved. It is far more flexible than barter.

b. LETS is not charity or welfare, as it does not involve "handouts". It is based upon community participation and fosters autonomy and self-esteem of all concerned.

c. LETS does not replace the "formal economy" but is a supplement and complement to it, allowing local people to meet their own needs for goods and services, while freeing their income for other urgent requirements, not available in the local community.

(You may wish to use some of the cartoons or diagrams contained at the end of this pack in your Membership Manual. These can also be photocopied onto overhead transparencies for any LETS presentation your group may organise. Use of graphics and diagrams helps to break-up large explanations and make things more "user friendly")

What can a LETSystem do?

In your community a LETSystem can be --

- . A technique for networking effectively within a local community
- . A powerful means of conducting needs assessment surveys based upon the quality of life of participants
- . An effective means of recompensing volunteer assistants for their time and efforts
- . A tool for developing community awareness and self-reliance in overcoming local difficulties
- . A technique of local community development, liberating goods and services within the community that are currently under utilised
- . A means of
 - fostering self-esteem and feelings of self-worth; and
 - encouraging positive self-reliant actionamongst people trapped in situations of poverty
- . A way of establishing a local community-based economic system, that supplements the formal monetary economy
- . A means whereby people on low income can improve their quality of life, by giving them access to goods and services not otherwise available.

It depends, however, upon the participation of its members; how they support each other and how they work, with the Trustee, to help their system prosper and grow. This is best done by considering when you want something, "Can I get this through LETS?" and making the appropriate contact.

Operation of a LETSystem

When LETSystems began in Western Australia, most tended to follow the Michael Linton/Jill Jordan model of managing their system through electing a Board of Advisers to have ultimate control and appointing Trustees to manage the day to day operations. The early LETSystems all adopted this structure.

More recently there have been significant changes to the day to day operation of LETSystems in the state. These have come about from a number of sources.

1. New LETSystems in Bridgetown, Donnybrook and other locations have experimented with novel management structures and approaches. Donnybrook LETS, for instance, does not have an automatic deduction system for each transaction. In their system transactions are free.

This is only one of a range of community innovations, and adaptations to local circumstances made possible by LETS

2. LETSsystems have tended to start through a process of referral to other LETSsystems. Valerie Hopkins, who was instrumental in starting the Busselton LETSsystem, was already a member of the Margaret River system. She naturally tended to pass on a number of the inventive approaches and local innovations taken by Margaret River, to the new system in Busselton. John Vukovich, a member of 5 LETSsystems (4 in the South West of W.A., one in New South Wales), has similarly passed many innovations on to other systems.
3. Older LETSsystems, as they replace their initial Trustees, adapt to the new circumstances this brings about. The replacement of John Croft, Jeff Green, Shelley Cullen and Gary Angel from key roles in the Northern Suburbs, Armadale, Margaret River and Swan Hills LETSsystems, has led to a sudden increase of local invention, as each system has struggled to find ways to maintain the momentum and foster local involvement.

These differences in operation are to be encouraged, as they contribute to the overall diversity, and success of LETSsystems as a whole to meeting local needs. At the same time, these changes are making any attempt to talk about a "standard" way of running a LETSsystem increasingly difficult. Nevertheless, a number of trends seem to be emerging.

- Formal Trustees are increasingly replaced through collective committees, each member taking on a different role, and being paid in local currency LETS credits for the work they do for the system.
- An emphasis on the importance of "Trading Days", and LETS events, where new members can meet older members, and where local goods and services can be traded on the spot.
- Separating the various roles and functions given below, and sharing them in new ways amongst a wider network of interested people. The Northern Suburbs LETSsystem, for instance has started a LETS Carers group, aimed at networking to assist member individuals in any kind of difficulty.
- A number of other local or community organisations can see the benefit offered through a LETSsystem, and are joining as an individual member. In some cases, such organisations (like the Fremantle and Denmark Environment Centres, or Armadale Skillshare), have played a major role in the establishment of the local LETSsystem.

Despite these differences, all LETSsystems, however, still seem to operate in fairly similar ways.

1. Members, either individuals or organisations, join, often paying an annual fee to cover costs of postage and paper (some LETSsystems, however, absorb these costs by being sponsored by another organisation). In most systems, they are given an individual trading number and list any goods and services they can provide as well as any goods and services they require.
2. The Trustees or organisers of the local LETSsystem, (who may be either democratically elected by the membership or chosen by a sponsoring organisation), compile a trading sheet, listing all goods and services on offer or needed by members. A description of each item needed or on offer

is given, generally including up to 40 characters. These are integrated with other member's offerings in the trading sheet, which is then sent to members on a monthly or bimonthly basis, together with a newsletter.

3. Members seeking to trade, contact each other and establish the value of their transaction in the "local point system" or currency of the region. Once complete, one of the parties trading will contact the Trustees or Book-keepers, who record all transaction and adjust individual accounts accordingly. No tokens, or cash changes hands.

4. Members usually get a statement of their current account and total transactions on a regular monthly or bimonthly basis, together with the new Newsletter and Trading Sheet. Some LETSystems (like the Swan Hills LETSystem) have a Newsletter Editor, to which stories are posted. Members also have the right to check up on the current balance and total transactions of those people with whom they trade.

5. A small charge on each LETS transaction and on each line of advertising in the trading sheet, may be paid for in LETS currency. This may reimburse those who maintain the system for their efforts. Bridgetown LETSystem have an alternative way of paying the Trustee and levy no deductions from those making transactions. Nevertheless, LETSystems attempt to cover all costs by the system itself. Because no currency or tokens exchange hands, and because "open books" are kept, the currency is thoroughly theft-proof. Even if individuals withdraw from a system, or members move elsewhere, because those people with whom they have traded have already been "paid", there is no immediate individual loss (See below, Section 6 for more details). Ultimately though, for each system there is probably a minimum number of "trades" within an unspecified period required to keep their LETSystem going.

Members Agreement

Implicit in a LETSystem, therefore, are a number of elements. The Member's Agreement, containing some or all of the following information, can be one of the principle features of a members manual.

1. The LETSystem is a non-profit agency whose rights and authority are vested in Trustees who act as an agent for the members who are principals. The LETSystem provides a service which allows members to exchange information to support trading, and maintains such accounts of that trading in local currency.
2. Members of a LETSystem shall be willing to consider trading local currency. There is no obligation upon members to trade, however, in circumstances in which they may not wish to.
3. The Trustees (or those responsible for maintaining records) will transfer local currency from one member's account to that of another only on the authority of the member making payment.
4. The LETSystem may decline to record an acknowledgment considered inappropriate. (eg. for goods not considered legal in the host community).

5. The value of a trading unit is usually determined by those conducting a transaction. (This is a significant departure from the Canadian model, in which a value of a LETSystem is strictly equated to the range of values determined in the federal currency).
6. A member may at any time know the balance and turnover of another member. (Thus people can check for themselves if someone is likely to be a system "abuser". In cases where balance is heavily minus, and where total transactions equals the balance it would indicate that this person just takes from the system, and has given nothing in return. In such a case you would think twice before trading with that individual)
7.
 - a. Accountability for taxes incurred by members is the obligation of those involved in an exchange; the LETSystem has no obligation or liability to report to taxation authorities or to collect taxes on their behalf. This is an individual responsibility.
 - b. No warranty or undertaking as to value, condition, or quality of the items exchanged is expressed or implied by virtue of the introduction of members to each other. Again, those individuals participating in the transaction, have responsibility for determining the quality and conditions of the transaction.
 - c. While all information on member accounts, excepting balance and turnover, is considered personal and confidential, the LETSystem cannot guarantee that confidentiality, or necessarily be held liable for breach of it.
8. The LETSystem may levy charges on member's accounts in local currency at rates assessed by the organisation, as a "fee for service".
9. The Trustees (or Book-keepers) may act on behalf of the LETS community in seeking satisfaction from a member whose account is "delinquent". (i.e. A person is accumulating debits without the intention of providing anything in return) This helps cover the case of people who may become continuous debtors). As an extreme measure, such an individual's membership of the system may be cancelled. As those who have been involved in LETSystems for some time can confirm, such a problem is extremely rare.
10. Members are invited to maintain contact with their LETSystem, and to participate in LETS events, meetings and elections, trading days, and in spreading the word about their LETSystem to others in the community. If you wish for assistance in providing information about LETS to others, contact your organisation. As LETSystems are usually a democratic body, controlled by its members, your involvement in any aspects is to be welcomed.

Michael Linton in creating LETSystems used such a list of elements to qualify an organisation as a LETSystem. At various times he has expressed an interest in determining the qualifying characteristics of a system (eg. equating the LETS Credit to be equal to the federal dollar). The position taken in this manual, however, is different. Since then, as LETS is a community initiative, and because of the fact that communities have sought to adapt the general principles to their own needs, the only qualifying condition on LETSystems should be that the community group is prepared to call themselves "LETS" - whichever form of the title they chose the initials to represent.

Trustees - the Book-keeping Backbone of a LETSystem

The Trustees are the operators and custodians of the LETS System, and are thus responsible for all aspects of its management.

1. They generally undertake to have recorded and distributed the information provided by the members, except where that information is considered inappropriate or damaging to the interests of the members as a whole.
2. They may maintain the financial accounts of the system
3. They will adopt policies consistent with long-term viability of the system.
4. They often assess and recommend to the Board of Advisers about the implementation of the necessary user fees in local currency.
5. They will also report to the Board of Advisers, or keep the LETS organising committee informed on such matters as they consider necessary. (For instance, they may investigate people who are "abusers" of the trust on which a LETSystem is based, and recommend upon cancellation of these people's membership)
6. They may be replaced if considered necessary by the other Trustees and the Board of Advisers in consultation with the members of the LETSystem.
7. They undertake to make the LETS increasingly accessible to all segments of the community (although some systems may appoint a publicity officer for this role).

Experience amongst LETSystems in Western Australia has repeatedly demonstrated the importance of this role. Those few LETSystems that have run into difficulty generally run into problems because the Trustees are not fully committed to LETS, that they have reservations, or consider the work they do for LETS has only a very low priority in terms of other tasks they do.

The work of Trustee, in other cases has been found to be quite an onerous task, particularly when the Trustee is not sufficiently supported by others in the system, and all the work of recording transactions, producing trading sheets and newsletters, and mailing out accounts is required of one person. This has helped fuel the trend towards the assumption of collective responsibility by a larger group of people for the tasks of Trustee, as mentioned above.

Board of Advisers - Keeping them Honest

Not all LETSystems have Boards of Advisers. They may have just a general committee instead. Nevertheless, what is said below, about the Board of Advisers would in most cases also apply.

The Board of Advisers is usually drawn from a wide spectrum of the community of members, and is the body to whom members have recourse should they be dissatisfied with the actions of the Trustees. They act as the liaison between the community and the Trustees, and act as a member controlled executive for the LETSystem.

1. They often meet regularly with the Trustees, and receive reports of the operations, accounts and directions of the LETS System.
2. The Board of Advisers may make, individually or as a body, any requests or recommendations to the Trustees, including a Trustee's resignation or replacement.
3. The Board of Advisers is not usually legally responsible for the actions of the Trustees, nor financially liable for any debts that might be incurred.
4. In some systems Advisers may resign without notice, and have their reasons published in the network if they wish.

It is strongly advised that a list of the current Board of Adviser's should be accessible to all members.

Note - It is anticipated that the members of the Board of Advisers will mostly give their services voluntarily to LETS unless they are engaged by the Trustees to carry out specific work for LETS in a remunerated capacity.

The trustees may or may not receive remuneration in L.E.T.S units depending on the distribution of the work load - this will be decided by them in conjunction with the system coordinator and/or the Board of Advisers. It is expected that the two major areas of work requiring remuneration will be the co-ordination of the system and data entry of transactions and for producing trading sheets. Some systems also provide payment for other duties (eg. running LETS introduction evenings for instance).

(LETSystems may operate under a range of legal forms. Appendix A gives a constitutional explanation, adapting the Maleny constitution in a fashion consistent with Western Australian corporate law, to incorporate the features of the above)

Record Keeping

Record keeping is essential to the operation of a LETSystem. There are many various ways in which this can occur. A range of ways from which your system may select are listed below.

(a) Recording Acknowledgments and Maintaining Accounts

As a member of a LETSystem, usually you and you alone can transfer local currency from your account into that of another. (The only exception to this is generally the service charges applied to your account each month.)

The procedures are similar to customary banking, with the additional option to give authority to transfer local currency by telephone.

In all cases you must

- identify yourself, by NAME and ID NUMBER,
- specify recipient, by NAME and ID NUMBER,

- state the AMOUNT of local currency (LETS units) to be transferred

(NOTE - WHOLE LETS units only, fractions are for Office use only)

You may also include

- a DESCRIPTION of the transaction (up to 30 character spaces).

LETSsystem transaction acknowledgments can be made

- by Acknowledgment Form
- by Telephone, during Office Hours or
- by Cheque Book.

Examples:

- By Acknowledgment form:

These are produced and made available from some LETSsystem offices. People wishing to record transactions complete a form and leave it at the LETSsystem's office.

Acknowledgment - Armadale LETSsystem	NOTES: on usage
I, _____ Member No. _____	← YOUR FULL NAME & ID No.
Acknowledge	← What you're doing!
_____ Member No. _____	← THEIR FULL NAME and ID No.
_____ LETS units being for:	← Number of Lets units
_____	← 30 Character Description
Authorised: _____ on: __/__/__	← YOUR signature and DATE

Once completed, such acknowledgment forms are collected by the local LETS office for entry and adjustment of accounts

- By Telephone:

"Hi, this is JAMES PETERS, ACCOUNT NO.768. Please acknowledge RICHARD JONES, ACCOUNT NO. 48, WITH 206 LETS units, for word processing.
Thank you"

This is probably the easiest way of recording transactions. A number of LETSsystems have permanent answering machines attached, asking people to record transaction details after the beep.

- By Cheque Book system

These have been more widely introduced by John Vukovich, who has been involved in starting the Donnybrook Balingup LETSsystem. (Cheque books were used earlier in Margaret River). Cheque Books have proved very popular in Riverland LETSsystem in Lismore, New South Wales, the largest LETSsystem in Australia. It has proved a very versatile means of encouraging local businesspeople to join.

<p>NORTHERN SUBURBS LETS SYSTEM P.O. BOX 730, MIRRABOOKA WA 6061</p>	<p>NORTHERN SUBURBS LETS SYSTEM P.O. BOX 730, MIRRABOOKA WA 6061</p>
<p>Current Balance (Brought Forward) Cowries.....</p>	<p>Pay..... Reg No.....</p>
<p>This Transaction Cowries.....</p>	<p>Cowries..... For.....</p>
<p>New Balance of Account Cowries.....</p>	<p>Deduct From Reg No.....</p>
<p>For.....</p>	<p>Date: / / Signed:.....</p>
<p>Date: / /</p>	<p>(Please forward to the LETSsystem by the 1st for inclusion your the next statement of account.)</p>

(b) Maintaining Accounts

The Trustees will transfer local currency from one member's account to that of another only on the authority of the member making payment.

The responsibility for the accounts and their accuracy thus lies primarily with the members.

Members are therefore most strongly recommended to keep their own records or acknowledgments given and received to reconcile with the LETSystem accounts.

Members are also invited to correct any errors or omissions in any account statement in the month before the new Trading Sheet noticeboard is due.

For example:

- If an acknowledgment due to you has been omitted; or incorrectly recorded, first contact the other member concerned.

If this does not resolve the issue, contact the LETSystem.

- If an acknowledgment that you communicated to the office has not appeared correctly on your account, contact the office first, and reassure the other member if necessary.

Your regular statement of account, and its accompanying new trading sheet is what ties the LETSystem together. A typical LETSystem Account Record would look something like the following

XYZ LETSystem
P.O. Box 007
ABCville WA 6999

Ms Joan Citizen
Smith Street
ABCville

Dear Joan

Your account with the XYZ LETSystem for the period since your last trading account issued on the 25th December 2001 is as follows.

	For period 25th Dec 2001- 1st Mar 2002	Total to date (1st Mar 2002)
Total Income
Total Expenditure
Administration charges Transactions
Trading sheet advert.
Balance
Total value of transactions

Please notify a trustee if there is any discrepancy in your records

Yours faithfully

John Roberts
XYZ LETSystem

(c) The Trading Sheet: Getting Better Information

The trading sheet advertises the needs & services available in the LETSystem. From this, members can obtain information in relation to possible transactions. It is the responsibility of individuals to ensure that their advertisements on the trading sheet are kept up to date.

EXAMPLE OF A TRADING SHEET (Following Conventional Practice)

++ offered, -- needed, * new listing			
CATEGORY	CONTACT	REG. No.	CONTACT PHONE
SKILLS, LABOUR & SERVICES			
++ Art work	John	17.2	342 9913
++ Bike repairs	Liela	12.1	270 3212
++ Book keeping	Anne Marie	80.2	445 1921
-- Car tuning and maintenance	Paul	16.1	313 2711
++ Child care	Jason	19.2	259 4781
++ Child care	* Carole	79.1	349 1293
-- Child care	Carole	79.1	349 1293
++ Computer tuition	John	17.2	342 9913
++ Counselling	Peter	33.2	446 8801
++ Craft lessons	* Margaret	56.1	270 1619
++ Driving	Anne	68.1	313 1066
-- Electrical Repairs	Anne Marie	80.2	445 1921
++ Foot massage/reflexology	Pamela	27.1	342 9913
++ Gardening	Cameron	45.2	259 1503
++ Gardening	James	09.1	445 1648
-- Gardening	Chris	18.1	259 7151
-- Guitar lessons	Steven	38.2	259 8162
++ House cleaning	Paul	16.1	313 2711
-- House cleaning	Carole	79.1	349 1293
++ House painting	* Achmed	21.2	445 7732
++ Ironing	Jason	19.2	259 4781
++ Language tuition (French)	* Pierre	31.2	349 1949
++ Minor car repairs & renovations	Bill	42.2	421 5565
++ Organic gardening consultation & lessons	* Margaret	56.1	270 1619
++ Pottery lessons	Cameron	45.2	259 1503
++ Tutoring/coaching (all subjects)	Steven	38.2	259 8162
++ Typing & word processing (all documents)	Anne	68.1	313 1066
++ Vegetarian cooking	* Margaret	56.1	270 1619
TOOLS & FACILITIES			
-- Use of car with towbar & trailer	Paul	16.1	313 2711
++ Tools (various kinds)	Steven	38.2	259 8162
++ Garden shredder	Cameron	45.2	259 1503
BUY, SELL & TRADE			
++ Canaries for sale	Anne	68.1	313 1066
++ Cottage crafts (Xmas presents special)	* Margaret	56.1	270 1619
++ Dressmaking	Carole	79.1	349 1293
-- Dressmaking	Chris	18.1	259 7151
++ Dried herbs	Pamela	27.1	342 1492
-- Free range eggs	Pamela	27.1	342 1492
++ Herb salt	Anne Marie	80.2	445 1921
++ Home made jams & conserves	Liela	12.1	270 3212
++ Potted plants & herbs (all sorts)	* Steven	38.2	259 8162

This trading sheet illustrates, in an artificial way, a number of key features of a LETS trading sheet, in which 40 items are offered, or required, by 18 members, living in 8 suburbs of a metropolitan area. Normally, 18 people would list a wider cross section of items, and this system's trading sheet might cover 2 or more pages. Nevertheless one can see that --

1. Trades are possible already between Carole and Jason, for Child Care, Chris has a choice between James and Cameron for help in his garden, Paul can provide Carole with house cleaning, and Carole can provide dressmaking for Chris. It is obvious that Carole is probably the most active trader of this system.
2. Carole too has added Child Care as a service she will provide, and Steven is now providing for the first time a wide variety of potted plants. Margaret, Achmed and Pierre are probably new members, as their listings all appear for the first time
3. Free range eggs, Use of a car with towbar and trailer, guitar lessons, electrical repairs and car-tuning and maintenance, at first glance, seem to be identified needs that are unavailable through this LETSystem. It is possible, however, that one of the existing members may be in debit, and be able to discharge their obligation to the community by assisting. If not, the Trustees would be seeking to enrol someone to the system who has the appropriate skills, services or goods to trade.
4. On this example of a trading sheet, there are also many items listed for which there is no apparent demand. This may reflect the fact that people just have not thought of the service. For example, Paul, wanting a car with a towbar, might get in touch with Bill, who does minor car alterations, and negotiate to have a towbar fitted to his existing vehicle. Those people with children at school may get in touch with Steven for his offer of tutoring in all subjects.
5. Margaret, who is new to the area, could possibly get together with neighbour Liela for some home-made jams and preserves, and thus quickly begin to make contact with a new group of friends and acquaintances who can share common interests.
6. Bill, in offering organic gardening consultation and lessons, is attempting to establish himself in a self-employed enterprise, and is seeking to see what local demand there is for his services.
7. It is clear that most of the items offered are what could be called "pass-times, bobbies, domestic or social arrangements", and in a normal community would not be traded at all. As they are now on offer, those participating in the LETSystem have access to a wider variety of goods and services than others, and so can improve their quality of life. Carole, in particular, as a single parent mother, can get some time out, through getting her children cared for. Anne Marie, an elderly pensioner, was previously an accountant, and is prepared to cover her obligation for electrical repairs with assistance in book keeping and by selling home-made herb salt.

This trading sheet thus forms part of a social support network of considerable power and sophistication.

(d) Recording New Members

It is a good idea to have some information to give to people who inquire about a LETSystem. You may decide that it is a good idea to keep copies of this section of the Manual as a membership document you can pass around to let people know how a LETSystem operates in detail. Enclosed with the Membership Manual you could send a Registration Form similar to the one which follows.

XYZ LETSystem
P.O. Box 007
ABCville WA 6999
Member Registration Form

Name Registration No.
(Office use only)

Address
..... Post Code

Telephone: (for contact)

Skills, Labour and Service (eg. Gardening, Childcare, House cleaning etc)

.....
.....
.....

Tools & Facilities (eg. Use of drill, Trailer, Equipment etc)

.....
.....
.....

Buy, Sell & Trade (Birds, Crafts, Plants, Jams etc)

.....
.....
.....

(use ++ to denote items you require from the LETSystem,
use -- to denote items you are prepared to offer through the system)

.....
(Trustee's Signature) (Date)

It is a good idea for the Trustees to keep all the Registration Forms in a single clip file, in order of registration number. This will act as a useful double check on your LETSystem membership records. The Fremantle LETSystem at one stage had their computer, containing all records stolen. Because of their "hard copy back-up" they were able to reconstruct their records and continue

operating. The Swan Hills LETSystem has had a similar task in converting from an I.B.M. to a Mackintosh system for recording transactions.

The Registration numbers are usually allocated by the Trustees. The Northern Suburbs LETSystem have found it useful to tie the membership number into the receipt number given in acknowledgment of the payment of their membership fee. As in their example, it is "households", not "individuals" which join, their registration number is in two parts - one listing the receipt number, the second recording the person's registration within that household. This has proved very flexible for organisations joining the system.

(e) A Simple System for Recording Transactions

Many LETSystems have computers to record transactions, but in starting up you can keep a manual system that operates very smoothly. Start by buying a pack of 8 inch by 5 inch (20.3 cm x 12.7 cm) stock cards and a box to store them in. You may like to rule them up as follows

Member Name			Reg. No				
Member Address			Date of Membership				
.....			Post Code				
Date	Other Person in Transaction		Item of Transaction	Charges in LETSystem Credits			
	Name of Member	Reg. No		Income	Expend-iture	Admin. Charges	Balance
GRAND TOTALS							

Even with a computer system, it is a good idea to keep a "manual back-up" record of transactions. As mentioned above, the Fremantle LETSystem early on had its computer stolen, but fortunately they had a manual back-up and so not everything was lost. Also, if you do have a computer system, make sure that all data is regularly backed up. The Northern Suburbs LETSystem had its data on a computer that developed a hard-disk problem, without adequately backing-up data, but because they kept a hard-copy system in parallel, their records could be transferred.

It is advisable to allow members the right to consult their own records. Otherwise it is the Trustees alone who should have free access to the data.

Computerised Management of LETSystems.

LETSystems can be managed quite effectively with a personal computer. However, there are three main issues which need to be considered before setting up a computerised management system;

- * selection of software (the computer program used to manage the LETSystem),
- * establishment of operating procedures, and
- * availability of support.

If these issues are not properly considered, computer-based LETSystem management can be more trouble than it is worth.

a. Selection of Software

There is a range of software now available that can be used to manage a LETSystem. This software may range from general-purpose spreadsheets to purpose-designed software. However, whatever software is used will need to manage four basic files (Membership, Notices, Transactions and Accounts) in a controlled and safe manner.

1. The Membership File

The Membership file contains a record of information about each member of the LETSystem. Each record should include;

- * the member's name,
- * their address and phone number,
- * their joining date,
- * a unique account or membership number,
- * the member's current balance,
- * the member's transaction count since the last charges were calculated, and
- * the member's turnover since the last time charges were calculated.

The software should enable you to add, modify the details of, and delete members. However, it should not allow you to delete a member if they have any current records in either the Transactions or Accounts files.

When a member's record is deleted from the Membership file any records in the Notices file, owned by that member, must also be deleted. Good software will perform that function automatically and in such a way that if the computer should fail part-way through the deletion process, the Membership and Notices files will be restored, upon restarting the computer, to their state before the member was deleted.

The software should also enable you to produce a printout of the membership.

2. The Notices File

LETSystem members have their products or services (called Offers) and their requirements (called Requests) listed in the Notices file. Each member may have a number of records in the file which are printed and distributed from time to time.

The information contained in each notice should include;

- * the account number of the member placing the notice,
- * the date the notice was entered,
- * the expiry date of the notice,
- * the type of the notice (Offer or Request),
- * the category of the notice, and
- * the content of the notice.

The software should enable you to add, modify the contents of, and delete notices. It should also enable you to print the notices so that they can be distributed to members. Good software will also provide an option to calculate and apply charges to each member depending on the number of notices they have.

3. The Transactions File

Each trade between two members of the LETSystem constitutes a transaction. Details of a transaction are recorded by the two traders and this information is passed on to the person managing the LETSystem. Each day, or at some other appropriate interval, incoming transaction records should be added to the transactions file.

The information recorded for each transaction should include;

- * the date of the transaction,
- * the account number of the seller,
- * a brief description of the transaction,
- * the account number of the buyer, and
- * the number of LETS units traded.

The software should enable you to add, modify the contents of, and delete transactions. It should also enable a listing of transactions to be printed for checking.

When a batch of transaction records has been added to the Transactions file and checked for accuracy, the records need to be posted to the Accounts file. The software should be able to perform this function in a safe manner. Posting one transaction record results in;

- * the addition of two records to the Accounts file (one each for the buyer and the seller),
- * the updating of balances in two records in the Membership file, and
- * the deletion of the transaction record.

Therefore, should the computer fail part-way through posting the transaction records, the software must be able to recover the Transaction, Accounts and Membership files, upon restarting the computer, to their state before posting began.

4. The Accounts File

Accounts file records are created from a number of sources. Each transaction creates two accounts records; one for each party to the transaction. When administrative charges are calculated, an accounts record is created for each type of charge, for each member. Other accounts records are created when adjustments are made.

The information collected for each accounts entry should include;

- * the date the account entry is made,
- * the date of the transaction resulting in the accounts entry,
- * the account number of the member for whom the entry is being made,
- * a description of the transaction resulting in the accounts entry,
- * the account number of the other party involved in the transaction,
- * the number of LETS units traded.

The software should only allow records to be added to the accounts file. To allow the deletion or modification of accounts records can compromise the integrity of the system. Where accounts errors occur, the software should allow the addition of accounts records in the form of adjustments. This ensures that there is an audit trail.

The software should also allow the printing of accounts statements for each member and a general listing of the Accounts file contents.

5. Additional Functions

In addition to the above-mentioned functions, software used for LETSystem management should provide a facility for archiving the Accounts file. If this was not done, probably on an annual basis, the Accounts file would become extremely large.

The software should also enable you to create and modify values for any charges that are to be applied to accounts and notices.

b. Establishment of Operating Procedures

It is good idea to establish a written procedure to be followed by those people who will be responsible for operating the LETSystem management software. The procedure should set out clear instructions on the following items.

1. Frequency of Charging

There needs to be a set frequency for applying administrative charges - both for accounts and notices. I would suggest that accounts charges be applied every month or two months. It is not critical what the interval is but it should be regular. Charges for notices should be applied each time

a listing of notices is printed for distribution. Again this would normally be either monthly or bi-monthly.

2. Timing of Charge Adjustments

If there needs to be changes to the amount of administrative charges levied, it is important to implement those charges at the right time. For example, if charges are to be increased in April then the new charges should not be recorded in the software until after the charges for May have been calculated and applied to members.

3. Frequency of Backups

The data contained in the files should be backed up every time changes are made. This means that backups should be done every time the computer is to be switched off. It is no good having a procedure which requires backups to be done just after switching the computer on because the vast majority of computer failures occur when the machine is switched on. I suggest that two backups are made each time and one of those backups is stored at a location other than that of the computer (in case of fire or tampering).

It is also a good idea to print listings of the files at regular intervals. As always there needs to be a sensible trade-off between security and paper usage. I would suggest that if proper backup procedures are in place, listings need be produced no more frequently than monthly.

c. Availability of Support

Try to find a LETSystem member who is knowledgeable about computers (this is usually quite easy). Having such a person available can greatly facilitate the smooth operation of the computer system. It would also be useful if that person could provide training for the computer operators. Naturally, the LETSystem would pay such a person for their services, in the local LETS units.

Computing Software Available for LETSystems

There are a number of computing systems around that are intended for LETSystems.

* The first program was produced by Michael Linton in Canada, and is still available (with some additions) from the Maleny LETSystem, Bunya House, 28 Maple Street, Maleny Qld 4552, (Phone: (074) 94 3113) at a cost of \$20 for four 5 1/4" disks. It runs on all IBM compatible machines, using a DBase II platform. This program also contains interesting historical data about how LETS started in Canada, how it came to Maleny, and a version of the LETSPlay game. It also has all you need in order to set up a LETSystem yourself. If you want additional written information you will need to send an additional \$5.

* A second LETSystem computing system that is currently being used in Western Australia has been developed by Richmond Valley LETSystem (RIVLETS) in Lismore, northern New South Wales. Ray Flanagan, who has been involved in this development is prepared to consider minor modifications to make their system more user-friendly to your own requirements, and will accept Inter-LETS in payment. Richmond Valley LETSystem can be contacted on (066) 22 2776 on Thursdays or by writing to RIVLETS, P.O. Box 402, Lismore NSW 2480

* Anyone interested in obtaining LETSystem management software developed in Western Australia which meets all of the criteria mentioned above and runs on MS DOS computers (IBM compatibles) can send a cheque of \$50 to EcoData, PO Box 148, Inglewood 6052. All purchasers of the software will be kept informed of any updates and enhancements.

* Mackintosh users can get a flat-file version of a LETSystem Management System from Phillip Crockford, Phone (09) 274 6109, or by writing to him at Swan Hills LETSystem, 95 Lakes Road, Hazelmere WA 6055. Phillip says it would be good to re-write the system for a relational program on Mackintosh, but that would take about 3 months work. A disadvantage is that to run this program you first need to purchase Filemaker.pro software from Mackintosh, which currently costs about \$475. Phillip is prepared to discuss problems of LETS for Mackintosh users, however, and is looking at cheaper systems to run.