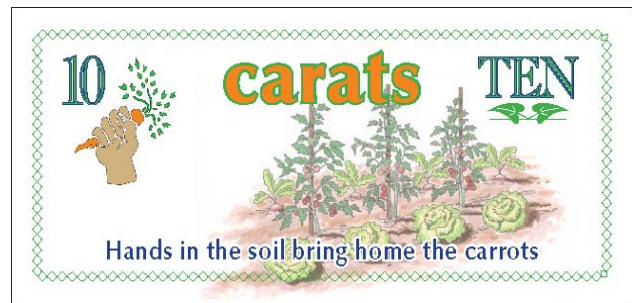


Bay Garden Dollars

Carats

November 2012



The Problem:

Area vegetable gardeners can always use help in their garden, but often do not want to pay cash for the help. They could be willing to pay in vegetables, but these are mostly available towards the end of the season and most of the help is needed in the spring.

The Solution:

Gardeners can print and issue their own currency! Their hired help gets paid with this issued currency during the season, and the currency gets redeemed at any time during the season for the market value of vegetables. Hence – the “Bay Carat” – a local garden currency.

- Gardeners – they make payment for the help they need with vegetables
- Workers – they get paid first by gaining knowledge and experience in gardening. They also get paid in Bay Carats at a pre-agreed rate per hour, and can exchange their Bay Carats at any time with the gardener for the fair market value of the vegetables. Or, they can use them as currency to pay for any other goods and services, and the folks who received them in payment can come to the gardener for redemption. The gardener is backing the currency in vegetables.

The Currency:

Bay Carats are issued in two denominations - \$5.00 and \$10.00. Each Carat is dated when issued and has an expiry date of 15 months from that date. A Bay Carat is essentially a coupon valuable in redemption for vegetables in a barter exchange. Bartering is not an attempt to avoid taxes, and any applicable Canadian tax reporting laws should be followed by each party.

Multiple Gardeners – Creating a Network:

Any single gardener can issue their own Carats with relative ease and little complication. There is greater potency in a currency, however, if it is accepted reciprocally among a number of gardeners. Each gardener keeps track in a log of how many Carats they issued. A worker (or someone who received Carats from a worker) can redeem their Carats with any gardener who is participating in the program. In the event that some gardeners are asked to redeem more Carats than they issued, they keep track of this in their ‘Carats Log.’ The reverse (issued more Carats than they redeemed) is also tracked. A meeting is held once/year with all participating gardeners to balance the system.

Example:

	Gardener #1	Gardener #2	Gardener #3
Issues	\$200	\$300	\$1,000
Redeems	<u>\$200</u>	<u>\$800</u>	<u>\$ 500</u>
Net	\$ 0	(\$500)	+ \$ 500

In this example, Gardener #2 willingly redeemed \$500 more Carats than issued, while Gardener #3 could not redeem the full amount issued.

Carat Rules:

Issuing Carats

- The amount of payment in Carats to a worker is at the discretion of the gardener, and takes into account hours worked, quality of work, and agreed hourly or per job rate.
- A gardener should only issue as many Carats as they expect to have available to redeem in vegetables over the course of the season.
- When a gardener issues Carats, they write their name and date on each Carat, and write the amount of Carats issued in their log.

Redeeming Carats

- A redeemed Carat should be marked “cancelled” in the eyes of both parties by the gardener at the time of redemption. Cancelled Carats are saved in the gardener’s log.
- A gardener should keep track of the current retail store or farmers market prices for their vegetables and use those when redeeming Carats.
- Anyone (not necessarily the original worker) can bring the Carats back for redemption. That way, the original worker can use the Carats just like money in any other transaction.
- A gardener may redeem more than they issued, but only at their choice.
- If a gardener cannot redeem the full amount that they issued in their vegetables (crop failure, etc.), then they must either 1.) redeem in cash (or at least a portion agreed to with the redeemer), 2)ask the redeemer to wait until next season, or 3) go to another participating gardener. If the redeemer is not willing to wait or if no other gardener is willing to redeem, then they must pay cash.

Balancing the System

- All cancelled Carats are returned to the ‘Carat Central Bank’ for final tally between gardeners, which is a once per year meeting of all participating gardeners. Cash or vegetable payments can be made between gardeners until each feels satisfied with the arrangement.

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