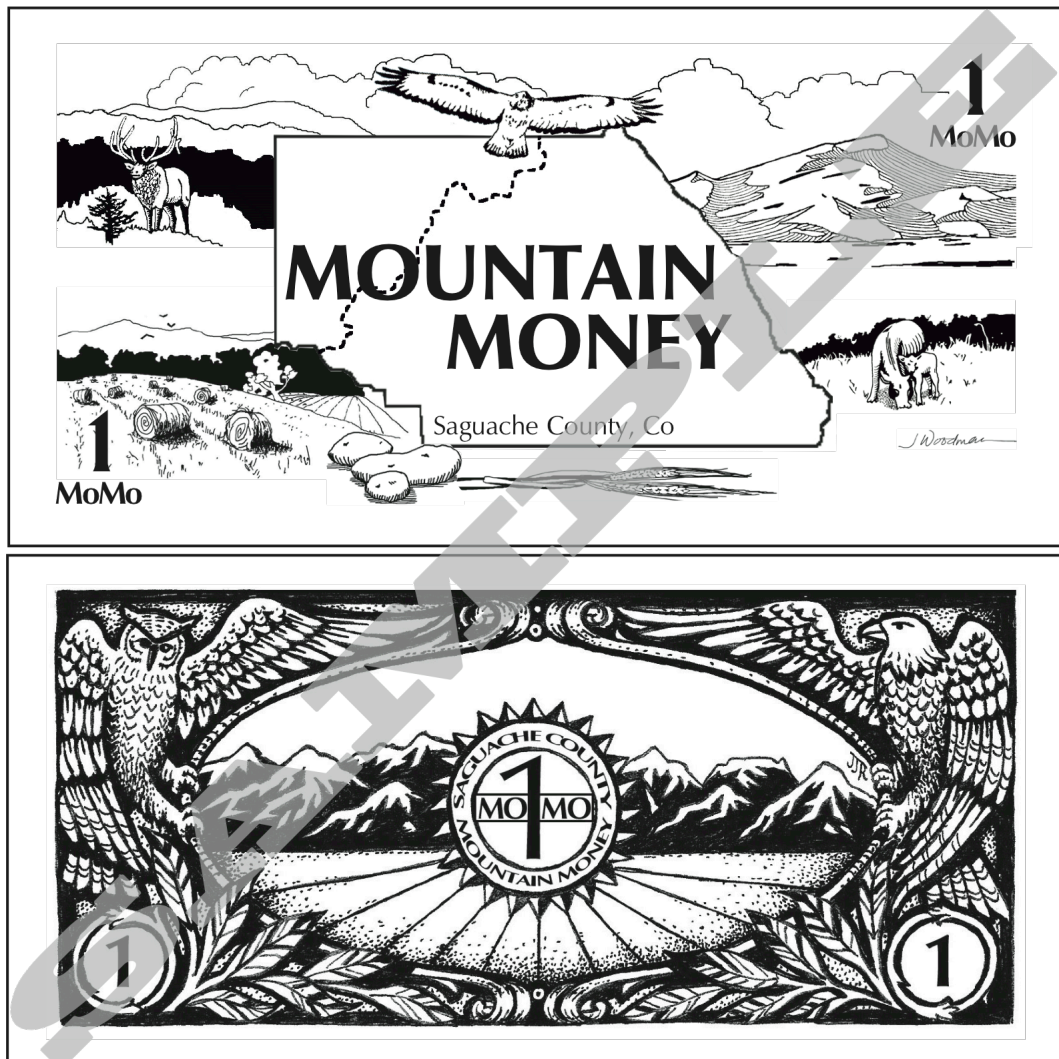


Mountain Money

Business Information Packet



ScSEED, c/o Alison Rosenblatt, PO Box 102, Villa Grove, CO 81155
(719) 256-6000 (ext. 103), ali@scseed.org, www.scseed.org

About Mountain Money

What is Mountain Money?

Mountain Money is Saguache County's local currency. It is a means of exchange that is only accepted at participating businesses throughout Saguache County. It aims to increase the local flow of goods and services, keeping money within the community and strengthening our local economy. By promoting the consumption of local goods, Mountain Money will help our local businesses thrive.

Mountain Money is tradable for the US Dollar (USD) at a five percent discount. This means that for 95 cents, you can get one dollar of Mountain Money (MoMo). MoMo will be worth the same as the USD at participating businesses. Businesses will only incur the five percent discount expense if they trade the MoMo they receive in for USD. If businesses circulate the MoMo they receive, they will retain the full dollar value of the currency.

Why Should I accept Mountain Money?

Mountain Money helps support our community by strengthening our local economy. As a business owner, accepting MoMo will help advertise your business to local residents and show off your community engagement. In addition, spending your MoMo locally can help you create relationships with other local businesses.

How does Mountain Money support our community?

Money spent at a local business generates at least three times more local spending than money spent at a chain store. This is because local businesses typically employ local people and are more likely to support other local businesses. In contrast, chain stores send a large portion of their income to their headquarters to pay for accounting, advertising, and other national (or international) operations.

If we use Mountain Money for local transactions, we create an added incentive for the money to re-circulate locally. This helps us create economic resiliency because the more we support our local businesses, the stronger they become and the more impact they are able to have on our local economy.

Is Mountain Money Legal?

Yes. Mountain Money is not intended to replace the US Dollar. Instead, it aims to complement the US Dollar by increasing circulation within the County. The US government allows for the printing of scrip (or paper exchange notes) as long as it has a US dollar equivalent, is valued at \$1 or more, and does not resemble USD.

Accepting Mountain Money

How much to accept

The amount of Mountain Money accepted will vary from business to business. We encourage you to develop an acceptance policy for your business based on how much MoMo you are able to integrate into your daily transactions.

Some businesses will accept 100% MoMo. Others will accept up to 10 or 20 MoMo per purchase and require the rest in US Dollars. Other businesses may accept a certain percentage of each sale in MoMo. The decision is up to you. Some questions to help you figure out how much to accept are:

- How much money are you currently spending locally?
- Are there goods or services that you are currently getting from out of County that you may be able to get locally?
 - Could you get these goods or services at a comparable rate?
- Are your employees willing to accept part of their salary in local currency¹?
- Are you willing to accept part of your revenue/profit in local currency?
- Are you able to afford giving a 5% discount on purchases made with the local currency as a means of promoting your store? Is there a limit to the amount of discount you can give a month?

It may take some work to figure out the right amount of MoMo to accept. If you would like help with this process, please don't hesitate to contact us. We are here and ready to help!

Advertising

An added benefit of accepting Mountain Money is that it serves as a means of advertising locally. We will provide all participating businesses with "We proudly accept Mountain Money" signs for their storefronts. Participating businesses will be listed on our website and included in a quarterly updated list of participating businesses that will be available at all of the Mountain Money exchange banks. This will not only advertise your business to local residents, but also to tourists who may want to visit your store for the experience of being able to use MoMo.

Educating your staff

Once you start accepting MoMo, it is important that your staff not only know how to deal with it, but also what it is and why you are accepting it.

¹ Remember, if you are paying staff in local currency, federal law requires that you must first pay at least minimum wage in USD.

In order to help you get started, we are offering staff trainings. These trainings will include an introduction to Mountain Money as well as information on accepting and accounting for it (according to your recordkeeping needs).

Taxation

It is important to note that Mountain Money is taxable. Mountain Money you receive should be included in your income and taxed accordingly. See Accounting on page 5 for more information.

Transactions with Mountain Money

Following are some suggestions for working with MOMO:

At the register

- Ask customers who pay in USD if they would like their change in Mountain Money. This not only encourages the use of MoMo, but also helps you circulate the MoMo you receive at dollar value.
 - Remember that any MoMo you purchase directly from the credit union comes to you with a five percent discount.
- We recommend keeping all of your MoMo in one cash slot for ease of transactions.

Paying for expenses with MoMo

Staff: Tax law states that you must pay at least minimum wage in USD. Any wage over that can legally be paid in Mountain Money by agreement with your employee(s).

Vendors: Ask your local suppliers if they would be willing to accept partial or full payments in Mountain Money. To find out about local businesses that already accept Mountain Money, visit the currency website (at www.scseed.org) for a regularly updated list or visit any of the Mountain Money exchange banks for a copy.

Accounting for Mountain Money

Setting up your books

- Create an asset account called “Mountain Money.” This account will be where you record the amount of MoMo you have on hand.
- Create an expense account called “Mountain Money discount.” This account will be where you record the five percent discount.
- Create a “Paid in MoMo” envelope or folder for receipts. This will be similar to your petty cash envelope. It will help you account for purchases paid in MoMo rather than by USD, check or credit card.

Recording transactions

Purchasing Mountain Money

When you go to the Credit Union to purchase MoMo:

- Credit your cash (*or checking or savings?*) account the amount of US Dollars you use to purchase your MoMo with.
- Debit your MoMo account the amount of MoMo received.
- Credit your MoMo discount account the 5% that you received.

For example:

If you purchase 100 MoMo for \$95 you would

Credit Cash \$95
Debit MoMo \$100
Credit MoMo discount \$5

Trading MoMo for USD

When you go to the Credit Union to exchange your MoMo for USD:

- Credit your MoMo account the amount of MoMo you are exchanging.
- Debit your MoMo discount account the 5% you are expensing.
- Debit your cash (*or checking or savings*) account the amount of cash you received.

For example:

If you are exchanging 100 MoMo for USD you would:

Credit MoMo \$100
Debit MoMo discount \$5
Debit Cash \$95

Sales Tax

Sales tax should be calculated as usual, as a percent of the total sale. You can accept it in either MoMo or USD, but you must pay it in USD.

Thank you for your interest in MoMo! We look forward to working with you!