



SALT SPRING DOLLARS

NOTICE TO BUSINESSES

January, 2012

Dear Business Owner,

Salt Spring Island Monetary Foundation is pleased to announce some important changes taking place in the New Year to re-invigorate our community currency program.

Despite high acceptance rates by local business since its inception 10 years ago, and moderate interest by tourists and collectors, the currency has failed to inspire widespread participation and usage by the wider Salt Spring Island community in day-to-day purchases. A survey conducted by SSIMF in 2009 indicated two key issues:

- a) Limited access to obtaining Salt Spring Dollars was a hindrance to their use.
- b) Community members didn't understand how the community was directly benefitting from their use, and wanted to see tangible benefits to local community groups and projects.

Another issue identified through a Business Survey is that Salt Spring Dollars are not being re-circulated by local businesses, but are being immediately converted to Canadian dollars by depositing to local financial institutions. [note: the more often that local money can be re-circulated, the better it is for the local economy]

In order to address these limitations, the Salt Spring Island Monetary Foundation is making some changes to the program:

1. eTM: We will be placing an Electronic Teller Machine (eTM) in the lobby of the Islands Savings Credit Union which will dispense four denominations of Salt Spring Dollars.
2. Salt Spring Dollar Community Action Fund: Whenever a user makes a Salt Spring Dollar purchase from the machine, they will be able to direct 5% of the purchase amount as a donation to a participating island group or project.
3. 5% Conversion Fee: In order to fund the Community Giving Fund, and to encourage businesses to re-circulate Salt Spring Dollars, we will be implementing a 5% conversion fee for businesses wanting to convert their Salt Spring Dollars back to Canadian dollars.

For businesses choosing to deposit Salt Spring Dollars at their local financial institution with their commercial deposits, there will be some important changes:

1. You will need to utilize a specially designed Salt Spring Dollar remittance book, and Salt Spring Dollar remittance envelope. These will be available at no cost from your local financial institution, or directly from SSIMF by emailing info@saltspringdollars.com. We are requesting a minimum remittance of \$50 to keep our administration costs to a reasonable level.
2. You will drop the Salt Spring Dollar envelope along with your regular commercial deposit at your local financial institution, just like before.
3. The bank will log if you've dropped off a Salt Spring Dollar envelope.
4. SSIMF will pick up the deposits directly from the bank and SSIMF will send your business a cheque for the deposit amount, less the 5% conversion fee. We will send out cheques once every second week.



REASONS FOR BUSINESSES TO CONTINUE \$\$DOLLAR ACCEPTANCE

Despite paying a 5% conversion fee in Salt Spring Dollars (a 2% to 3% premium over credit card rates), local businesses will continue to benefit from their acceptance of Salt Spring Dollars in the following ways:

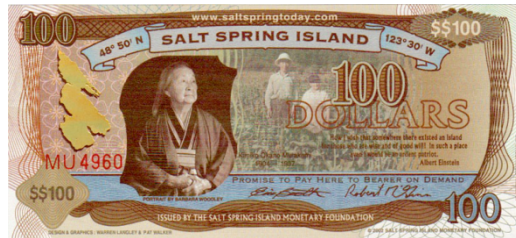
1. **Community Goodwill Benefits:** All Salt Spring Island community groups will be invited to participate, and encourage their members to make Salt Spring Dollar purchases from the eTM machine in order to earn funds for their respective groups. Businesses accepting Salt Spring Dollars will earn community goodwill and (it is hoped) greater customer loyalty.
2. **No Fee if Salt Spring Dollars Re-circulated:** Unlike accepting credit cards for purchase, businesses only face fees when depositing \$\$Dollars. Therefore finding ways to re-circulate Salt Spring Dollars will be in the best interests of the business and the community at large. Server tips (for restaurants), asking customers if they would like change in Salt Spring Dollars, making petty cash purchases in Salt Spring Dollars, and even (for small entrepreneurs) paying themselves in part in Salt Spring Dollars, will help keep them circulating.
3. **Local Substitution Effect:** Spending Salt Spring Dollars on local goods and services will assist the local economy, compared to money spent off island, which will benefit local businesses as the beneficiaries of the Salt Spring

Dollars re-spend them in turn. Money that used to be spent on imported goods can be channeled to local vendors and suppliers.

4. **Keeps Spending Local:** Paying a small premium over credit cards (if converted) to win back market share from off island competitors is a very cost effective form of marketing and promotion compared to discounting and advertising to attract local customers.
5. **Build your “Go Local” Brand:** Supporting Salt Spring Dollars is a clear signal to your customers that you encourage local purchasing and spending, a growing trend within the growing LOHAS (Lifestyles of Health and Sustainability) consumer demographic.

WAYS THAT BUSINESSES CAN RE-CIRCULATE \$\$DOLLARS

1. **Donations:** Fund your direct donation programs in whole or in part with earned \$\$Dollars. Not only will community groups benefit, but you will also ensure that their business stays on island, and comes back to you.
2. **Change Facility:** Ensure that all tills have sufficient Salt Spring Dollars to provide them in change (\$100 to \$250). Make it a policy to provide Salt Spring Dollars change for \$\$Dollar purchases, and *optionally offer* to provide Salt Spring Dollars as change for Canadian dollar purchases, especially in the summer to tourists, who often think it’s a great and novel idea.
3. **Local Purchases:** Substitute imports with local cash purchases or increase cash purchasing from local vendors.
4. **Sales of Salt Spring Dollars:** Setting up a small display with a sign letting customers know that Salt Spring Dollars are available for purchase. Keep a selection of Salt Spring Dollars in good condition that would be available for tourist keepsakes or gifts.



Though re-spending Salt Spring Dollars will entail some creativity and perhaps some changes to business practices on the part of business owners, we firmly believe that the aggregate effort to have a vibrant, loved, and well used community currency will benefit local businesses well in excess of the efforts.

For further questions please email info@saltspringdollars.com