Dear BerkShares Business,

Thank you for signing up business to accept BerkShares, our region’s local currency. You have joined a group of over 400 businesses in our community who have chosen to accept BerkShares. The BerkShares program is growing—as of today over 10 million BerkShares have left our banks.

BerkShares work best—and businesses retain the most income—when people use them again rather than returning them directly to the bank to exchange for federal currency. We encourage you to look at the up-to-date list of participating businesses which can be found online at www.berkshares.org or in the mobile payments app. There you can find places where you may be able to meet business or personal needs by spending BerkShares.

Enclosed are some bookkeeping resources for the paper and digital platform as well as a list of frequently asked questions. We will provide you with BerkShares stickers to display in your front window or on your cash register and an informational booklet. If you would like any additional materials, please let us know.

Please contact us at BerkShares, Inc. with any questions, comments, stories, or concerns you may have. It’s our aim for BerkShares to help your business grow and prosper. Thank you for being a productive member of our local economy.

Best wishes on behalf of the board of BerkShares, Inc.,

Rachel Moriarty
BerkShares, Inc.
info@berkshares.org
(413) 528-1737
What are BerkShares?

BerkShares are the local currency for the Berkshire region. Dubbed a "great economic experiment" by The New York Times, BerkShares (B$) are a tool for community empowerment, enabling area citizens to better shape our region’s economic future. By prioritizing local exchange and production, our local currency helps to build a thriving and sustainable Berkshire economy. Today, some four hundred local businesses accept our currency as tender. But this is only the beginning.

BerkShares were launched in 2006 as a paper currency which has since seen well over B$10 million in circulation, representing money kept within the local economy. As of March 2022, digital BerkShares are now also available through a new mobile payment app. The value of digital BerkShares are fixed 1:1 with US Dollars. By leveraging emerging blockchain technology, digital BerkShares will be able to service transactions at a lower cost than credit and debit card networks, and do so while keeping our region’s wealth working locally.

In either form, our local currency encourages recirculation and reinvestment within the region while fostering personal bonds between producers, suppliers, and their communities. As BerkShares are backed by US Dollars on reserve in community banks, these funds can be drawn on for responsible investment to facilitate new ventures producing goods and services needed locally. Adopting BerkShares is one step toward a more resilient and sustainable local economy—good for people, business, community and the environment.

Mobile Payments App

The BerkShares app makes it easy to acquire BerkShares at a 1:1 rate, scan-to-pay with participating local merchants, and for those merchants to redeem funds back to US dollars as needed. It works similar to other mobile payment apps with all the added benefits of our local currency. Download the app for free on Apple iOS or Android.

All participating merchants can be viewed in the app directory. Funds can be loaded from any U.S. bank, and BerkShares are always free to spend and receive. Only when a merchant chooses to cash out of BerkShares is a 1.5% fee incurred—less than other payment apps and considerably less than credit card processing fees. This modest fee on redemptions helps to fund operating costs while providing a built-in incentive for recirculation.

Paper Notes

To exchange US dollars for BerkShares, visit one of the participating branch banks listed on the following page. As of March 2022, the exchange rate of BerkShares to US dollars is 1:1. BerkShares can be changed back into US dollars at any of the exchange banks, with a 1.5% fee. Some businesses may have restrictions on when or how you can use BerkShares, so it’s good to inquire first. Customers may also request change in BerkShares on purchases made using US dollars.
Vision for Local Economic Development

Local currencies are a tool for area economic development which can complement other efforts in building community wealth, regional self-reliance, and sustainability. Such currencies are not new—they were quite common during the Great Depression—but have fallen largely out of fashion in the United States. BerkShares is a notable exception to this trend, and we envision building a vibrant, more sustainable future together with BerkShares.

By its design, BerkShares fosters personal exchanges and local production, encouraging recirculation and reinvestment within the community. In this way, BerkShares empowers each of us to help sustain and grow local business while keeping our money local. A good choice for people, community and our environment, BerkShares is truly money well spent.

Growing the participation of BerkShares through the convenience of the digital app can enable additional benefits beyond those established. Entrepreneur training and community supported industry can be organized around BerkShares participation, as has been done at points in the past, with richer and more accessible data. A sizable reserve could be responsibly invested by our community banks in new productive activities that fill procurement gaps—products and services currently being imported from outside the region. A guiding idea of such an approach is import replacement, popularized by urbanist Jane Jacobs in the 70s and analogous to what is also referred to today as Community Wealth Building. This citizen-driven model can guide us in creating new opportunities, addressing poverty and helping to make the Berkshires a viable choice for young people to make their home.

Blockchain Tech for Our Main Streets

While it can be easy for us to reach for our credit card in-store, all those processing fees add up, creating a burden on our small businesses as money trickles out of our local economy. Digital BerkShares solve these issues by leveraging blockchain technology to lower the cost of transactions for area merchants. In simple terms, a blockchain is a digital file for storing data; more technically it is an open, distributed ledger, whereby a number of operators validate, clear and store transaction data, rather than relying on a single actor.

Blockchain-based applications and currencies have proliferated in recent years, some of which are inherently risky and have been subject to speculation. But unlike such currencies, Digital BerkShares are backed one-to-one with US Dollars on deposit at Lee Bank and Salisbury Bank, making it stable and therefore resistant to speculation by design. The underlying blockchain technology enables no-fee exchange on the digital BerkShares network. If and when a merchant “cashes out” their BerkShares for US Dollars, the fee is only 1.5 percent – much lower than many card processing fees.

The app has been designed and developed in partnership with Humanity Cash, a social enterprise technology firm working on blockchain and alternative currencies. Designed to be interoperable with different blockchain networks, it currently runs on the Celo blockchain, which is far less energy-intensive than leading alternatives. It is operated by a non-profit committed to carbon-neutral operation through offsetting which directly furthers regenerative carbon capture. Humanity Cash’s interoperability provides flexibility in the future as blockchain technology evolves.
Why Local Economies Matter

1. **Significantly more money re-circulates in the Berkshires when purchases are made locally,** rather than at national chains or online: wealth is kept working in our communities as locally owned sellers purchase from other local businesses.

2. **Most new jobs are at locally owned businesses:** Providing for local needs with local products and services, small local businesses are the largest employer nationally.

3. **One-of-a-kind businesses and distinctive community character add to our quality of life and the region’s attractiveness for tourism:** In an increasingly homogenized world, local business needs conscious support to compete with cost-cutting big box and online retailers.

4. **Reducing our environmental impact:** Prioritizing local can further alleviate pollution from shipping, including carbon emissions. Local storefronts can help to sustain vibrant, walkable town centers—reducing sprawl, automobile use, habitat loss, and air and water pollution.

5. **Community businesses and banks can reinvest productively:** In recent decades, Wall Street has incentivized short-term thinking and stock buy-backs, fueling rising wealth inequality at Main Streets’ expense.

5. **Local business owners invest in community:** Local businesses are owned by people who live locally, and are more invested in the community's future. Faceless corporations are not going to sponsor our childrens' little league teams.

6. **Customer service is better:** Local businesses and local hires are closer to their customers and excel at maintaining personal relationships with genuine warmth and familiarity.

7. **Competition and diversity brings quality as well as choice:** An array of small businesses, each selecting products based on the needs and preferences of their local customers rather than a national sales plan, can provide a broader range of product choices.

8. **Public benefits far outweigh public costs:** Local businesses require comparatively little infrastructure investment and make more efficient use of public services as compared to nationally owned stores entering the community.

9. **Encourages investment in the region:** Research shows that entrepreneurs and skilled workers are more likely to remain or settle in communities that preserve their one-of-a-kind businesses and distinctive character.

10. **Local economies are more sustainable:** In times of global uncertainty, they offer an alternative path to resilient prosperity through local ownership, community accountability, cultural diversity and a healthy relationship to the natural environment.
Bookkeeping Best Practices
For digital BerkShares

Watch this three-and-a-half minute video for different use cases of digital BerkShares from a small business perspective: https://www.youtube.com/watch?v=jLpuiz7DnwU

When it comes to your bookkeeping, Digital BerkShares can be handled essentially like cash. Each BerkShare is equivalent to 1 USD.

There are many places you can spend BerkShares, and many ways to use BerkShares received for business expenses. You can spend them on legal and accounting fees, advertising and consulting, employee bonuses, compensation of the business owner, food for staff/events, web design and development or redeem them back to US dollars.

We welcome feedback and are available to advise on use of—and accounting for—BerkShares. Contact info@berkshares.org or at (413) 528-1737 with any questions or comments.

ACCOUNTING ADVICE:
1. Setting up your POS and bookkeeping systems for BerkShares:
   - Create an “Other Payment” button in your POS system for BerkShares.
     - See: instructions for “other payment” buttons in Square and Shopify
   - Set up a separate current asset “BerkShares account” (like a bank account) in your QuickBooks or other accounting program
   - Set up an expense line titled "BerkShares fee." (like for credit card fees)
   - Prepare a "Paid in BerkShares" envelope for receipts.

2. Receiving Payment in BerkShares
   - Record payment as a deposit to the "BerkShares account" at the full amount received in BerkShares.
   - Credit the appropriate inventory line for the full amount of the sale
   - Verify that the total number of BerkShares in your digital wallet equals the total amount in the "BerkShares account."

Note:
   - At the end of the year, if you have received more than 600 BerkShares, you will receive a 1099-K. It is the responsibility of the business to report income received in BerkShares.

3. Paying invoices with BerkShares
   - Payments can be made in person between two devices or you can request a printout of a vendor’s static QR code to keep on file so that you can make a payment remotely. Remember to have a copy of the invoice so that you can have the vendor verify payment and date. This receipt will go in your "Paid in BerkShares" envelope for backup purposes.
   - Credit the "BerkShares account" for the full amount of the payment.
   - Debit the appropriate expense line with the same amount as you would with purchases made with any other form of payment. This practice ensures all normal inventory controls are in place.
4. Depositing BerkShares
   • If you find that you have more BerkShares than can be spent with vendors, or paid to employees as a percent of salaries, then BerkShares may be redeemed for US Dollars at a rate of 1 US Dollar to 1 BerkShare, less a 1.5% fee.
   • Initiate an ACH transfer in your app by selecting “cash out to USD” in the menu and follow the prompts. A minimum fee of $.50 or 1.5% will apply, whichever is less. Funds will be available in your bank account in 3-5 business days.
   • For your accounting purposes, if the amount of BerkShares is 100, credit the "BerkShares account" with 100; debit your business checking account for $98.50, and debit the "BerkShares fee" expense line for $1.50.
   • The "BerkShares fee" is shown as a business expense (much like a credit card fee or stock broker's fee) and the total taken from profit at the end of the year in determining your federal and state income taxes.

5. Exchanging Federal Dollars for BerkShares:
   • If you are using more BerkShares than you’re taking in, you can load up your digital wallet with BerkShares at a rate of 1 US Dollar to 1 BerkShare. There is no fee to load your wallet.
   • Initiate an ACH transfer from your linked bank account to your digital wallet by clicking “Load wallet” in the top right corner of the BerkShares app. For example, type in B$ 500.
   • Credit your checking account for $500 to record the ACH transfer. Within 2-3 business days, your digital wallet will show 500 BerkShares.
   • Debit your "BerkShares account" with $500.
   • The total number of BerkShares in your digital wallet should always equal the total amount in the "BerkShares account."

6. Tips & Recommendations:
   • Reference the published list of businesses accepting BerkShares to be creative about where to recirculate them, and check http://www.BerkShares.org for the most up-to-date listing.
   • Ask if a business will accept full or partial payment in BerkShares, even if not listed in the BerkShares directory. Encourage other businesses to sign up, and explain that you’re more likely to do business with them if they accept BerkShares, too.
   • Do not hesitate to place restrictions on acceptance if you need to.
   • Let people know you accept BerkShares by adding the BerkShares logo to your website and/or displaying a sticker in your window. Ask customers if they have or know about BerkShares.
Frequently Asked Questions
Digital BerkShares

Does it cost anything for me to accept digital BerkShares at my business?
It is free to accept digital BerkShares at your business. All transactions in BerkShares are free. You pay a 1.5% fee should you wish to cash out your BerkShares for USD to your business bank account. However, if you reuse the BerkShares, for example, by paying yourself, your employees, or your suppliers, there is no cost for these transactions in BerkShares.

How do I accept digital BerkShares?
There are two ways to receive BerkShares. You can have a static QR code displayed at your cash register to receive BerkShares from your customers, or you can receive payments through your BerkShares app on your mobile phone or on a dedicated device for your cashiers. You can also have both options, using the BerkShares app as your preferred method, with the static QR code as a fallback. With a static QR code, the customer has to enter the payment amounts. With the BerkShares app, you or your cashiers are in control of the payment amounts as you can generate unique QR codes for each transaction. Below are step-by-step instructions for how to accept digital BerkShares for both methods.

Via Static QR code
Step 1
You always ring up your customers as usual in your existing register that keeps track of all your sales. If a customer elects to pay with BerkShares, the cashier marks that as a BerkShares, gift card or cash transaction in the main register, depending on how you’ve set-up your register and how you prefer to mark BerkShares transactions. The cashier informs the customer of the total.

Step 2
The customer scans the QR code displayed at the register, inputs the total amount, shows her phone to the cashier to confirm it is correct, then hits pay in her app.

Step 3
The customer can then show the cashier the transaction confirmation receipt. You or your cashier can also check the transactions list in either the business or cashier profiles of the BerkShares app.

Via BerkShares app
You can also process BerkShares transactions with your BerkShares app in the business profile or in the cashier profile. You may have your phone with you at the register, or you may choose to use a dedicated device at the register for your cashiers using the cashier version of the BerkShares app.

Step 1
Ring up the customer as usual.
Step 2
With the app, you can accept payments by using the “Scan and Pay” button or the “Payment” button in the cashier version. The cashier enters the total amount, and the app will generate a unique QR code for the exact amount being requested from the customer. This reduces customer mistakes.

Step 3
The customer then scans the unique QR code from the cashier’s device (not the static QR code which requires the customer to enter the correct amount). Both the cashier and the customer would receive a transaction confirmation.

Can I accept BerkShares if my business isn’t located in the Berkshires?
BerkShares are intended to circulate within the cultural region of the Berkshires, a 25-mile radius beyond Berkshire County, Massachusetts. BerkShares, Inc., in its sole discretion, reserves the right to remove or refuse merchants who are not local businesses to the region. The assessment of locality will generally be based on the zip code or address of the principal place of business or branches of the business, and at the discretion of BerkShares, Inc.

How do I cash out my digital BerkShares to USD?
Go to “Menu” and select “Cash out to USD.” In that page you will be able to indicate how any BerkShares you’re cashing out. BerkShares will assess a fee of 1.5% on all redemptions, with a minimum fee of $0.50. It’ll automatically calculate the redemption fee and show exactly how much in USD you can expect to receive in your bank account. Hit confirm to send the transaction.

How do I process a return or correct a mistake?
The easiest way to process a return is using the cashier profile of the BerkShares app. Follow the steps below:

Step 1
You may implement your usual return or refund policy. This may include a time limit (e.g. 30 days), requirement to present the itemized receipt, etc. As with any return or refund process, the customer must present the same form of payment that she used to make the purchase. In this case, please ask the customer to provide the transaction receipt of the BerkShares payment. This should show the name of your store, date and time of purchase and a transaction number. (Note that just as with a credit card transaction list, this is not an itemized receipt. It will only show the total amount).

Step 2
Customer hits the “I want to make a return” button on the transaction receipt. This generates a QR code in the customer’s phone for the cashier to scan (this way the cashier can only send BerkShares to the customer wallet linked to a specific transaction).

Step 3
The cashier then enters the amount of the refund and hits send. A transaction confirmation should be received by both the customer and the cashier.
What is the difference between the full business profile and the cashier profile?
The full business profile has administrative features such as the ability to link a business bank account in order to top up or cash out your BerkShares to USD. It also allows you to pay people, including yourself, in BerkShares. You can also link a personal profile with your business profile. This way you have two profiles but one account login/password.

The cashier version of the BerkShares app is an abbreviated version of the full business profile. The cashier profile contains these four key functions: processing a payment, making a return (or correction), keeping track of transactions, and making transaction reports (tallying net sales). The cashier version will not contain any administrative features such as paying out or cashing out BerkShares, which only the business owner or manager can do under the full business profile view of the BerkShares app. In making transaction reports, the cashier view is restricted to only sales, returns and net sales. It will not see payouts and cash outs of BerkShares, which only the full business profile can see and make reports. Finally, the cashier profile is not connected to the business owner’s personal profile.

We recommend using the cashier profile for processing transactions at your store or business, as it is designed for managing payments quickly. The cashier profile does not allow the cashier to send BerkShares to any other wallet except in the case of a return or correction, where it can only be sent back to a customer wallet linked to a completed transaction, and only up to the amount of that transaction in question. This makes it secure to load the BerkShares app in cashier mode to any device you have at your store or business.

You may choose to have a dedicated device at your store to process BerkShares payments (though this is not required). The dedicated device can be an old phone or tablet, anything with WiFi connection. We recommend that this device contains only the BerkShares app in the cashier mode. This way you can leave the device unlocked so that any of your cashiers can quickly pick it up to process a payment. You can install the cashier profile on an unlimited number of devices.

Do I need a dedicated device to accept BerkShares? Can I have the BerkShares app on multiple devices?
No, it is not required that you have a dedicated device. You may use a printed QR code to receive BerkShares. The QR code can be displayed by your cash register.

You may also receive BerkShares through the BerkShares app on your mobile device. It may be easier to accept BerkShares if you download the BerkShares app (using the cashier profile) on a dedicated device, but it is not the only way to accept BerkShares. You may use any device that has a WiFi or cellular data connection. This may be a used cell phone or iPad. BerkShares app will be available for both iOS and Android devices. You may install the BerkShares app to multiple devices. Simply download the app, enter your login details as usual, and the app will ask if you’d like to display the cashier view or your full profiles.

Are there chargebacks with BerkShares transactions?
No. There are no chargebacks, as BerkShares transactions function similarly to cash transactions. You may still implement a refund or return policy.
**How long does it take to settle a BerkShares transaction?**
Actual settlement of a BerkShares transaction should only take a few seconds. The whole process at checkout should not be any longer than processing a credit card transaction. Once the transaction is settled, you have full possession of the BerkShares in your wallet and you may begin to use your BerkShares immediately.

**What’s the proper accounting for BerkShares transactions?**
You will account for BerkShares transactions as sales, in the same way that a cash transaction is no different from a credit card transaction. For purposes of internal recordkeeping, you may choose to mark BerkShares transactions as cash transactions, gift card transactions, or as its own category, whatever is preferable or easiest for you. We always suggest you consult with a small business accountant or tax expert. [We will send you a 1099-K should you meet the threshold requirements for filing. The IRS requires BerkShares, Inc. to file a 1099-K to the IRS should your gross sales (based on transactions in BerkShares) be at least $20,000 and 200 transactions in a calendar year. For state taxes in Massachusetts, the requirement is at least $600 per year, irrespective of the number of transactions. BerkShares, Inc. will email a copy of the 1099-K to the email address you used to sign-up for your BerkShares wallet.]

**How do I pay myself, my employees or my suppliers in BerkShares?**
 pay yourself, make sure you also set up a personal profile (you can use the same login and password as your business profile). Then simply select “Payout” in the menu or homepage in your business profile view. Select “My personal account” to pay yourself. It will transfer the specified amount from your business wallet to your personal wallet, with the transaction documented in your history so you can do proper accounting. If you want to pay an employee or supplier, select “Someone Else” in the same Payout page. Currently, you need to be physically present with the other party to make and receive payments (we’re working on a simpler process stay tuned!). You would enter the amount of BerkShares you wish to send, then scan your receiving party’s QR code to complete the transaction.

Payouts in BerkShares may be considered *personal income* with respect to the person receiving BerkShares. At the same time, with respect to the business, a payout may be considered a *business expense* that reduces your taxable income, for example, it may be a payroll expense if you pay an employee or a cost of goods sold if you pay a supplier. You always need to account for your sales revenues in BerkShares, irrespective of whether you keep the BerkShares, cash them back to USD or pay them out. You should always consult your accountant or tax advisor.

**What’s the difference between a payout and a cash out?**
A payout is paying someone, such as yourself, in BerkShares. Payouts have no transaction costs and do not require a bank account. A cash out is when you redeem your BerkShares to USD. There is a 1.5% fee for cash outs. Payouts may have some tax implications, for example, as personal income to the recipient and a business expense of the business making the payout. A cash out or redemption to USD should not ordinarily have tax implications, except that the redemption fee may be categorized as a business expense. You always need to separately account for your sales revenues, irrespective of whether you keep the BerkShares, cash them back to USD or pay them out. You should always consult your accountant or tax advisor.
How do I create a personal profile linked to my business profile? What if I do not want a personal BerkShares profile associated with my business profile?

Once you complete your business profile, you’ll see a notification prompt in your home screen to also create a personal profile. Simply click on this link to start the process of creating your personal profile. Your name will already be entered, you can add your home address (instead of business address) and link your personal bank account. Having a linked personal profile allows you to pay yourself BerkShares that you earn through your business, and this is free! You can recirculate BerkShares in your community by patronizing businesses owned by your neighbors.

If you do not want a personal BerkShares profile, simply ignore the notification or click the “X” mark in the notification.

Can I cancel a payment?

If you’ve made a mistake entering the wrong amount and the customer has not yet scanned and pressed pay, you can always hit the back button to correct the mistake or to start over again. However, if the transaction is pending, then we won’t be able to cancel. We’ll need to wait for the transaction to settle, then use the “Return” button in the cashier profile to refund the customer the difference if the customer was overcharged. If the customer underpaid, she would need to make another payment for the difference. The cashier can initiate another payment QR code for the customer to scan.

Are there weekly limits on how much money I can load on my BerkShares App? How does that affect me as a BerkShares merchant?

You can load up to $5,000 of BerkShares to your wallet from your bank account every week. This is not the BerkShares balance amount or the spend amount in BerkShares. For example, it doesn’t matter that at the beginning of week 2 Alice already has a balance of $5,000 BerkShares from the previous week. In week 2, Alice can load an additional $5,000 worth of BerkShares from her bank account, with a new balance of $10,000 BerkShares. It also doesn’t matter if Alice spends all $10,000 BerkShares in week 2.

As a BerkShares merchant, you won’t likely be impacted, as you are primarily accepting BerkShares as payment. There is no limit to how many BerkShares you can accept, re-spend, payout or cash out to USD. If you’d like to acquire additional BerkShares by funding your wallet through your bank account, then the limit is $5,000 every week.

I have paper BerkShares. Can I convert them into digital BerkShares?

Unfortunately, no. You can find businesses at which you can spend your remaining BerkShares on our website or in the app, or you can visit participating branches of Salisbury Bank, Lee Bank, and Pittsfield Cooperative to cash out your BerkShares for US Dollars.
BerkShares are cash and can be handled in essentially the same manner. Each BerkShare is equivalent to 1 USD.

We suggest devoting a separate slot in your till to hold BerkShares. One big difference between BerkShares and dollars is that there is no coinage for change. For amounts under a dollar you can give change in US coins. If you owe more than a dollar in change it’s best to have enough small BerkShares bills on hand to give change in BerkShares for a BerkShares transaction. You may also offer BerkShares in change for US Dollar transactions.

There are many places you can spend BerkShares for business expenses. You can spend them on legal and accounting fees, advertising and consulting, employee bonuses, compensation of the business owner, food for staff/events, web design and development, and change for sales.

We welcome feedback and are available to advise on use of—and accounting for—BerkShares. Contact info@berkshares.org or at 413 528 1737 with any questions or comments.

ACCOUNTING ADVICE:
1. **Setting up your POS and bookkeeping system for BerkShares:**
   - Create an “Other Payment” button in your POS system for BerkShares
   - Set up a separate current asset “BerkShares cash account” (like a petty cash account) in your QuickBooks or other accounting program
   - Set up an expense line titled "BerkShares fee." (like accounting for credit card fees)
   - BerkShares are cash, so it is also important to establish a secure place for BerkShares-on-hand.
   - Prepare a "Paid in BerkShares" envelope for receipts, much as you have for petty cash

2. **Receiving Payment in BerkShares**
   - Remember that BerkShares are cash and customers will want a receipt on payment.
   - Record the payment as a deposit to the "BerkShares cash account" at the full amount received in BerkShares.
   - We recommend calculating and collecting sales tax at the full dollar amount of sale. Sales tax can be collected in BerkShares or in federal dollars.
   - Credit the appropriate inventory line for the full amount of the sale as you would when recording payments with checks.
   - The total number of "BerkShares-on-hand" in a secure place should always equal the total amount in the "BerkShares cash account."

3. **Paying invoices with BerkShares**
   - BerkShares are cash. Payments should be made in person. Remember to have a copy of the invoice so that you can have the vendor verify payment and date. This signed receipt will go in your "Paid in BerkShares" envelope for backup purposes.
   - Credit the "BerkShares cash account" for the full amount of the payment.
- Debit the appropriate expense line with the same amount as you would with purchases made with checks. This practice ensures all normal inventory controls are in place.

4. **Depositing BerkShares**
   - If you find that you have more BerkShares than can be spent with vendors, given in change to customers, or paid to employees as a percent of salaries, then BerkShares may be taken to one of the BerkShare Exchange Banks and exchanged a rate of 1 US Dollar to 1 BerkShare, less a 1.5% fee.
   - The bank will then deposit federal dollars in your account at one US dollar per BerkShare, minus a 1.5% fee or give you the funds in cash.
   - For your accounting purposes, if the amount of BerkShares is 100, credit the "BerkShares cash account" with 100; debit your business checking account for $98.50, and debit the "BerkShares fee" expense line for $1.50.
   - The "BerkShares fee" is shown as a business expense (much like a credit card fee or stock broker's fee) and the total taken from profit at the end of the year in determining your federal and state income taxes.

5. **Exchanging Federal Dollars for BerkShares:**
   - If you are using more BerkShares than you’re taking in, the process is the reverse of depositing them.
   - Write a check to BerkShares, for example for $500 US dollars.
   - Take the check to one of the Exchange Banks. (list available online at berkshares.org/using-berkshares)
   - You will receive 500 BerkShares. Credit your checking account for $500 to record the check.
   - Debit your "BerkShares cash account" with $500.
   - Place the 500 BerkShares in the secure place you have already established, waiting to pay bills!
   - The total number of "BerkShares-on-hand" should always equal the total amount in the "BerkShares cash account."

6. **Recommendations:**
   - Supply your till with a specific amount in BerkShares each day so change can be given in BerkShares.
   - Encourage change from federal dollars transactions in BerkShares (many customers do not have time to go to the banks and like to trade in BerkSharest).
   - Keep enough BerkShares on hand in a secure location to pay bills.
   - Reference the published list of businesses accepting BerkShares to be creative about where to recirculate them, and check [http://www.BerkShares.org](http://www.BerkShares.org) for the most up-to-date listing.
   - Have a supply of BerkShares directories on hand to give to customers. The more places people know they can spend them the better the circulation will be.
   - Ask if a business will accept full or partial payment in BerkShares, even if not listed in the BerkShares directory. Encourage other businesses to sign up, and explain that you’re more likely to do business with them if they accept BerkShares, too.
   - Do not hesitate to place restrictions on acceptance if you need to.
   - Let people know you accept BerkShares by adding the BerkShares logo to your website and/or displaying a sticker in your window. Ask customers if they have or know about BerkShares.
BerkShares Exchange Banks

Salisbury Bank and Trust Company
Salisburybank.com
- Great Barrington (210 Main Street)
- Sheffield (640 North Main Street)
- South Egremont (51 Main Street)

Lee Bank
Leebank.com
- Great Barrington (279 Main Street)
- Lee (75 Park Street)
- Lenox (450 Pittsfield-Lenox Road)
- Pittsfield (75 North Street)
- Stockbridge (3 Elm Street)

Pittsfield Cooperative Bank
Pittsfieldcoop.com
- Great Barrington (325 Main Street)

Membership Information
BerkShares are issued by BerkShares, Inc., a membership based non-profit corporation open to residents of the Berkshires. To become a member, attend meetings, vote to elect members of the board, and receive email newsletters and updates on BerkShares special events, contribute $25 or 25 BerkShares by scanning the QR code below, via BerkShares.org or by mail to:

BerkShares, Inc.
P.O. Box 125
Great Barrington, MA 01230