

“Bon” Exchange System In Pisang Village, Gianyar Regency, Bali, Indonesia

1. General Overview

This system is based on the traditional Bon system for exchanging promises between the members of a community. To join this system, every person must become a member. This system uses a Bon Book and transactions must be written in it. The buyer must have the book with them, and the seller must write their signature in the buyer's book, and can choose whether or not to record the same transaction in their book. their side of the transaction in their book. Most transactions in this system are for local products for local consumption, using local resources. The credit in this system is limited to 100,000 rp. equivalent in the first phase. In the future, the credit limit will rise, depending on the development of the system.

Goals of the Local Exchange System

- Implementing a system of exchange in a simple and safe way to increase the amount of currency in circulation without causing inflation.
- Improve the local economic climate by strengthening local production.
- Encourage the circulation of the Bon currency, while encouraging savings or investment in national currency.
- Separate the contradiction between the need to save money while being forced to spend national currency on basic needs at the same time.
- Separate the contradiction between the need to reduce the local supply of money in order to increase its value on international markets.
- To identify individual and community assets which can be mobilized to meet community needs.
- To increase community control over local economic activities and decision-making.
- To return a sufficient measure of economic control to the community.
- To create a stable and sustainable local economy with a sufficient supply of means of local exchange, with regards to already existing local resources and goods, as well as community needs without increasing material consumption.

There are a number of advantages to the community by implementing a community exchange system, based on experiences in other places, such as:

- Increased amount of money in circulation without causing inflation.
- Increased amount of goods and services available which can be purchased (increased purchasing power) and increasing the rate of circulation.
- Increased the amount of time national currency stays within the community.
- Increased access to the local market.
- Increased local employment.
- Increased importance and value of traditional activities, which may have been reduced in value.
- Reducing economic activities, for money, that destroy the environment.

- Increased support for the development of small enterprises.
- Increased community strength and community brotherhood.
- Increasing the potential which can be found in the community.
- Encouraging self-confidence in one's self and one's community.
- Increasing community savings and income by reducing consumer prices on locally produced goods.
- Reducing social stratification between rich and poor within a community.
- Increasing the possibilities for new employment within the local and regional economy.
- In this way the local exchange system can be seen as a first step in helping the community to develop skills for new employment.

In general there are a number of differences between local exchange systems, which have been carried out in 35 countries with more than 3200 communities, with the regular economy, such as:

Regular Economy	Local Exchange System
<ul style="list-style-type: none"> • Increased efficiency regarding money and goods. 	<ul style="list-style-type: none"> • Increased efficiency with justice and peace.
<ul style="list-style-type: none"> • Memusatkan keuntungan, mendorong investasi dari luar dan adanya spekulasi • Accumulating advantages, pushing foreign investment and speculation. 	<ul style="list-style-type: none"> • Masyarakat memutuskan apa yang akan diinvestasi berdasarkan kebutuhan lokal • The community decides on what is invested in in order to meet local needs.
<ul style="list-style-type: none"> • Focused on individual 	<ul style="list-style-type: none"> • Focused on community
<ul style="list-style-type: none"> • Resources are scarce, not enough for everybody. 	<ul style="list-style-type: none"> • Local exchange systems are interest-free and facilitate exchange of goods and services more fairly for all.
<ul style="list-style-type: none"> • Debt 	<ul style="list-style-type: none"> • Community Commitment
<ul style="list-style-type: none"> • Encourages homogenization of economic activities to increase profits. 	<ul style="list-style-type: none"> • Encourages diversity in production to meet local needs for community benefit.
<ul style="list-style-type: none"> • Favours the wealthy with collateral. 	<ul style="list-style-type: none"> • Local exchange systems ensure that each person has enough.

2. Account Opening

Every member must open an account, and pay the account opening fee, such as 30,000 rp. to open an account.

Account Opening Form

Name: _____

Business Name: _____

Age: _____

Name

Other users of this account

Age

Signature

Three Requests:

1. _____
2. _____
3. _____

Three Offers:

1. _____
2. _____
3. _____

Your choice for a community project:

I have read and agree to the member's agreement:

Signature: _____

Account Number : _____

Credit Limit: 100,000 Bon

Next Tasks:

- The new member receives the account book.
- The account opening form is filed.
- The Community Survey has been filled out.
- Their main questions about the local exchange system were:
- Signature on Formal Credit Agreement: See Appendix Below

3. Bulletin Board

In a public place, there is a Bulletin Board where system members can list their goods or services for exchange using Bon, as well as monthly data about the function of the system.

From the account opening information, and from workshops and other meetings, the Bulletin Board information is compiled and displayed like this:

Offers	Requests	System Information Monthly & Overall Stats
Stephen - Corn	Kadek Language Training	

The Board may be organized by subject, such as: Agriculture, Trade, Building, Children, Health, Training, Food, Transportation, Miscellaneous.

4. Bon Transaction Book

At the time and place of the transaction, the buyer must write the transaction in their book, and the seller must give their signature within the buyer's book. The seller should also write the transaction in their book.

Date	In	Out	Balance	Description	Receiver's Signature
27 Sept		100,000	-100,000	Jagung 20 K	

There is a place for 30 transactions in the book.

5. Accounting and System Analysis

After the Bon Transaction Book has been filled, it must be returned to the Bon system office. The pages from the book will be removed by the staff, and new pages will be inserted into the book. At this time, the member must pay the community tax, which can be about 5,000 rp. And 10,000 Bon.

The transaction information will be written in the General Transaction Ledger, and in the account of the member.

The Administration is not allowed any credit, it is only allowed to spend the money that it receives through these fees.

The total amount that comes in and goes out of the entire system must equal zero, and the total amount that goes out is the money supply of the system.

If the total that comes in and goes out does not equal zero, this means that there is an error in the accounting and this error must be found.

6. System Administration

a. Administrator

- Ensures the day to day operation of the system.
- Applies fees and charges to ensure sufficient operating funds.
- Reviews and ensures the correctness of the accounting.
- Assists members to spend the Bons that they have to ensure smooth circulation.
- Assists new members to identify and mobilize their assets and resources.
- Identify and develop local enterprise opportunities.
- Educate and encourage the community through discussions which encourage thought, self-reliance, mutual aid and empowerment, etc.
- Connect the Bon system with regional and national bodies.

b. Cashier

- Opens accounts
- Maintains the general account ledger and individual account ledgers.
- Receives the full transaction books from members and provides new transaction papers.

c. Trustee

- Examines the general account ledger and individual account sheets for errors and inappropriate transactions, as well as to find areas for improving understanding of system functions through training.
- Observes the general function of the system
- Functions as a facilitator in system and community meetings.
- Is considered to be a mediator between and representative of the members.

- Assists in the resolution of transaction-related problems between system members.

d. Observation Panel

The Observation Panel is needed to assist with the understanding of and proper use of the Bon system. The panel is comprised of members selected during the annual general meeting.

The Panel seeks solutions to any problems that may arise in the development of the system, and gives their opinion to the Administrator and Trustee. The Panel may also form sub-committees to focus on certain areas of system development including promotion, community market, community projects and etc.

This Panel also includes representatives from the Village Credit Union, Banjar and community leaders, as well as including representatives from the local government to ensure transparency and trust in the system.

7. Bon System Administration Accounts

a. Bon System Accounts

The Bon Administration receives fees from members which are divided into three accounts, these being:

1. Administration Account #1 : For receiving fees in Bon
2. Administration Account #2 : To cover any small system errors, imbalances or defaults by members.
3. Community Fund Account : To receive funds to be spent towards community projects.

There is also, of course, an accounting system for receiving funds in rupiah.

Administration Account Ledger

Account Number: 1 Administration Account in Bon					
Tanggal	Dengan	Untuk	Masuk	Keluar	Saldo

Account Number: 2 Administration Fund for Balances, Errors and Defaults					
Tanggal	Dengan	Untuk	Masuk	Keluar	Saldo

Account Number : 3 Community Fund in Bon					
Tanggal	Dengan	Untuk	Masuk	Keluar	Saldo

8. Community Fund

The account opening fee belongs to the administration. The fees that are received when books are exchanged are split between the administration and the community fund. Members can decide on community projects which are funded by the community fund.

9. Bon System Monthly and Overall Report

Each month, the Cashier prepares a monthly and overall report on the system, which is placed on the Bulletin Board.

Bon System Report

Period: Month _____ From _____ To _____

Administrator			
Cashier			
Trustee			
	Out	In	Ratio
Accounts			
Community Fund			
Amount of Bons in Circulation			
Bon Circulation Rate			

10. Member's Agreement - Bon Exchange System

1. The Bon Exchange System provides information for facilitating transactions between members, and maintains accounts on behalf of members.
2. The members of the system must be willing to receive Bons for goods and services which they have advertised in the Bulletin Board.
3. The members of the system are not allowed to exchange or sell Bons for national currency (Rupiah). Bons are convertible only for goods and services.
4. The members of the system are allowed to receive national currency and bons together in one transaction, but in the Bon Account Book only the Bon amount is recorded.
5. The Bon, the exchange medium of this system, can only move from the buyer to the seller or from the member to the Administration for administration fees and Community Tax which goes into the Community Fund.
6. The administration of the system is not allowed to issue Bons through credit, it is only allowed to spend the funds that have been received through fees. Also, the total balance of the system must always be exactly zero.
7. The Trustee of the system is allowed to disallow a transaction that is not allowed within the system that may be considered in appropriate or detrimental to the

- integrity or reputation of the system.
8. One Bon is equal to one unit of national currency, for example 1,000 Bon equals 1,000 Rupiah, also 5,000 Bon equals one hour of work.
 9. Every member is allowed to know the balance and transaction activity of other members if requested at the Bon system office.
 10. The Bon Exchange System is not responsible for the quality of goods and services exchanged in the system, rather it is the responsibility of the individual member.
 11. The administration is allowed to receive administration fees and community taxes at the time of opening the account and when a full transaction book is returned to the Bon system office.
 12. If a member would like to close their account, they must return their balance, if it is negative to zero, to be repaid either in Bon or Rupiah.
 13. If the member fails to repay their negative balance, and it is not possible to repay this balance, this becomes a debt of the community. Therefore, each member has a responsibility to uphold the system.
 14. In the case of a member debt, the Trustee of the system can request the debt to be repaid, and this request can become public information.
 15. In the case of problems between members the Trustee of the system can become an arbitrator and decide on the resolution of the dispute.

12. Resiko Potensial

- A. What if the member only buys and does not sell for Bons?
- B. What if the member does not have something to sell?
- C. What if the member spends more than their credit limit?
- D. What if the Bon Account Book is already full?
- E. Other risks?

Pertanyaan2 Lain: