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## Barter Puts More Dollars In Hands Of Non-Profit Organizations

BY STEPHEN E. WEBSTER  
DAILY RECORD COLUMNIST

### BARTER BASICS

Four years of recession have definitely hurt our local business community, but they have been equally devastating for our not-for-profit sector. Lower donations and fewer volunteers in the face of increasing needs have put incredible stress on even the most well managed agencies.

Barter — the same powerful tool that helps businesses grow and conserve cash — provides not-for-profits with new sources of donations and event underwriting. Like cash, these barter dollars can be exchanged for needed goods and services.

In-kind gifts and merchandise donations, another form of barter, are offered; but organizations have been reluctant to accept or even solicit items because they never know what they will receive, where they will store them or whether there will even be a use for them. However, a barter company provides a vehicle for agencies to convert donated merchandise into trade dollars, which can be used to purchase the goods and services they need, without alienating potential donors.

The National Center for Missing & Exploited Children (NCMEC) has been using barter to bolster their budget for nearly a decade. Their trade dollars come from donations given or advertising space purchased in conjunction with significant fundraising events such as their annual auction.

“Barter has helped us tremendously,” reported Pam Weaver, coordinator of community education for NCMEC. “It lets us stretch our budget for things such as office supplies, snowplowing and landscaping; but it allows us to do things we couldn’t ordinarily justify like volunteer recognition events and catering important donor meetings. Whenever we purchase anything, we automatically look first to see if there is a barter source.”

“A common condition for most not-for-profits is the lack of cash,” offered Tedd Smith, executive director of the Youth for Christ of Greater Rochester, which works with middle and high school students in Greater Rochester and surrounding counties to present a balanced life philosophy.



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“Most people tend to make their donations in the fourth quarter, but we have expenses all year long. Making those donations last is a challenge, and I am always looking for an alternative to spending cash,” Smith continued.

His agency first used barter in 1989 to pay its rent. Since then, Smith has been using trade credit for fixed expenses such as janitorial, printing and programming costs as well as a tool for rewarding employees and boosting morale.

“We may not be able to pay our employees big salaries, but we can always let them know they are appreciated, and barter makes that possible,” said Smith who uses barter for holiday parties, dinner meetings and even annual employee bonuses when cash isn’t available.

Not far from Rochester, one can find a barter success story blending the not-for-profit and for profit sectors of a community. Since 1991, community-wide barter in Ithaca, has been promoting local trading, making grants to community organizations, providing zero-interest loans to businesses and encouraging both professional and personal networking.

Close to 1,000 individuals currently participate in a system that distributes Ithaca HOURS, its own local barter currency, among electricians, plumbers, healthcare providers, mortgage companies, fine restaurants and hundreds of other businesses.

“We see Ithaca HOURS as an alternative system that helps supplement the major financial system,” explained Stephen Burke, president of the Ithaca HOURS Board of Directors. “This money is easy to earn — if you have some time and moonlighting skills — and it is easy to spend because there is no added value in hoarding it. As a result, it has helped fuel the local economy and allowed people to gain some financial mobility that our current economy can’t support.”

*Stephen E. Webster is president and CEO of Alliance Barter, a 25-year-old Rochester-based company with offices in Toronto, Buffalo and Syracuse. Webster is past president of the International Reciprocal Trade Association (IRTA) and presently serves on the board of governors of its universal currency. He is a lifelong resident of the area.*