

M e m o r a n d u m

To: Santa Barbara – District Principal Auditor

Date: February 14, 1980

From: Philip R. Dougherty

Subject: Trade or Barter of Silver Coins

Your telephone call and memorandum question the amount of gross receipts from a sale of gasoline for a previously advertised price of one, silver, U.S. dime per gallon. The retailer of gasoline also offers to sell gasoline at the current ordinary prices, which are in excess of \$1.00 per gallon. The retailer does not specify any particular type of payment for the ordinary prices and, presumably, will accept any other legal tender at face value.

In the situation presented, the silver dimes are not being traded at an agreed value which is equivalent to the agreed values of other, undifferentiated, U.S. coins of the same face amount. Here, as in the commodity coin and numismatic coin markets, the silver dimes are traded at a value greatly in excess of the value commanded by their legal tender, or “face” value. So the gross receipts from the sale of gasoline for the advertised price of one, silver, U.S. dime per gallon is the amount which that dime commands in other markets which specifically deal in silver dimes.

Since you may find it difficult to keep track of fluctuating values of U.S. silver dimes from day to day, for quick audit purposes you may assume that the value of the silver dimes traded for gasoline to be equivalent to the ordinary prices posted for that type of gasoline, unless it becomes apparent that the average value of the “silver” prices diverges significantly from the average “non-silver” prices. If you have specific audit problems, please call me at ATSS 485-2705.

PRD:ba