

SCORE – SERVICE CORP OF RETIRED EXECUTIVES

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TERMS & CONDITIONS OF SALE FOR BUSINESS-TO-BUSINESS COMMERCE

When selling products or services to other businesses, the vendor should furnish their customers/clients with "terms & conditions of sale" – The statement of "Terms & Conditions of Sale" sets the parameters both firms will work under – should always be presented with their fee schedule or price lists.

WARNING Without a statement presented during the sale process along with a fee schedule or price list two scenarios may occur– One, what a vendor wants and what customers are willing to accept may be different; two, the vendor may have to accept the terms the customer/client stipulates.

The law says that all customers must be given the same "Terms & Conditions of Sale" although there may be different qualifications for different industries, locations, sizes of the customers' business, order size, dollar amount of an order, etc.

The following guideline is a list of the sections that one needs to consider for their Terms & Conditions of Sale. Some business and/or industry may have additional points that need to be covered.

FOR BUSINESSES SELLING PRODUCTS

1a. Basic facts (must be covered)

- * Wholesale/cost price(s) or list price
or
- * Suggested Retail Price (SRP) less trade discount

(Note: Applicable when the vendor has a product that reaches the retail market as offered by the vendor. A retailer is not obligated to sell at the SRP once they pay for the products or, if a customer makes changes in the product, then the they set the suggested retail price.)

- * Minimum Opening Order
- * Minimum Reorder Quantity
- * Special/Custom Orders
- * Quantity Discounts
- * Credit & Payment Policies
- * Delivery: time, method
- * Shipping & Insurance
- * Return Policy
- * Damaged & Defective Goods
- * Warranties/guarantees relating to defects.
- * Service Policy
- * Transfer of Title
- * Choice of Law Provision

1b. Allowances

- * Consignment Policy
- * Advertising Allowance
- * Freight Allowance
- * Anticipation Discount
- * Agreement for exclusivity
- * Exchange Policy
- * Exclusive Agreements
- * Shrinkage Allowance
- * Changes to the Agreement

(Note: if any of these allowances are not offered it should be stated that they are not offered)

The points in 1a and 1b are for general business activities. Special projects or orders or when replying to a Request For Proposal (RFP) may call for different terms.

For Terms & Conditions of Sales for providers of services, see other side.

TERMS & CONDITIONS OF SALE FOR PROVIDERS OF SERVICES

2a) **Basic facts (must be covered) for providers of services:**

- * Fee schedule(s)
and/or
- * Formats for projecting estimates
- * Credit & Payment Policies
- * Warranties/guarantees to validity of the work
- * Cancellation clauses
- * Travel, lodging, meal policy
- * Choice of Law Provision

2b) **Optional topics to be included for service businesses**

- * Types of services offered
- * Charges for changes in project policy
- * Use of and billing policy for sub-contractors
- * Confidentiality policy in regards to client's and/or vendor's proprietary information
- * Use of client's name policy

These points are for general business activities. Special projects or orders or when replying to a Request For Proposal (RFP) may call for different terms.