



INTEREST ON OVERDUE ACCOUNTS POLICY

Approved: CRKN Board of Directors, June 23, 2009

PURPOSE

1. The purpose of this policy is to encourage prompt payment of accounts by CRKN members, to act as a deterrent against late payments that are to the detriment of all members, to ensure that the organization has sufficient cashflow to meet its contractual obligations, and to avoid costs that would be incurred should the organization need to utilize its credit facility. Additionally, the policy promotes member equity in supporting the overall costs of the organization.

SCOPE

2. This policy applies to all CRKN accounts receivable.

POLICY

3. Payment of invoices is due upon receipt;
4. Invoicing to members is undertaken as close to the due date for CRKN license payment obligations to vendors as is prudent, to ensure that CRKN does not retain member funds for lengthy periods; and
5. Interest fees will be charged to members who do not remit payment on invoices within a defined time period, based on an analysis of the time required for university accounts payable processes.

PROCEDURES

6. No interest will be charged on accounts receivable in the first 60 days from the date an invoice is issued;
7. Interest will be charged at a rate of 1% per month on accounts receivable that are 61 or more days overdue;
8. An invoice for the interest assessed will be issued separately and is due upon receipt;
9. Members who exhibit persistent late payment practices will be brought to the attention of the Finance & Audit Committee, and referred to the Board of Directors.

EXCEPTION

10. No exception may be made to this policy without the written consent of CRKN's Board of Directors.

REVISIONS TO THE POLICY

11. This Policy is subject to an annual review. All amendments or revisions must have the written consent of the CRKN Board of Directors.