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## Credit Policy

**Purpose:** This policy outlines the requirements for establishing payment terms with Ramsey/Washington Recycling & Energy Board (R&E Board). The Board permits these arrangements to commercial users of its Facility in its normal course of business.

**Scope:** This policy applies to all commercial customers of the R&E Board's Resource Recovery Facility located in Newport, MN and transfer stations under contract to the R&E Board.

### Responsibility:

The Recycling and Energy (R&E) Accounting Manager is responsible for the credit review and approval process. In addition, the Accounting Manager is responsible for the prudent and efficient management of accounts receivable balances to mitigate collection risk. All communication on invoices, statements, and credit matters must be authorized by the Accounting Manager.

### Policy:


It is the policy of the Ramsey/Washington Recycling & Energy Board (R&E Board) that all commercial users of the Facility who enter into a Waste Delivery Agreement with the R&E Board will be granted payment terms (credit). Continuation of credit is dependent upon timely payment. Credit arrangements will be periodically evaluated to manage risk as financial and business conditions change. The review and evaluation processes will be applied to all customers in a consistent fashion so as to assure fair and equitable treatment of all customers.

### Guidelines:

- The basic form of credit is without an upper dollar limit but is limited to the cost incurred in thirty (30) days of usage.
- The billing cycle is monthly. The R&E invoices will be dated the 10<sup>th</sup> each month following the month of service.
- All invoices are due and payable upon receipt.
- Pre-payment and prompt payment discounts are not offered.
- Payment by credit card is subject to a 2.5% convenience fee.
- An account is deemed overdue thirty (30) days after the end of the month in which service was provided.
- Overdue accounts will be charged interest of 1% per month on the unpaid balance.
- For invoices containing disputed charges:
  - Disputed items must be communicated to the Accounting Manager as soon as they are recognized.
  - The customer and R&E Board agree to work in good faith to quickly resolve the matter.
  - The non-disputed portion of an invoice should be paid while the customer and R&E work to reconcile the accounts.
  - Interest will not be charged on the disputed portion of an invoice.
- In situations where the customer's ability to pay is in question a personal, corporate, or bank guarantee may be required.

- In rare and exceptional circumstances, the maximum credit can be expanded with the approval of the R&E Joint Leadership Team.
- Credit will be terminated at the discretion of the Accounting Manager on accounts that are more than 55 days overdue.
- In the event that credit is terminated, a customer can continue to use the Facility through alternative arrangements.
  - Cash in advance (CIA) –payment delivered to R&E and receipt of funds confirmed before Facility use. The amount of the CIA payment shall be equal to the expected cost of utilization as determined by the accounting manager based on hauler experience.
  - Cash on delivery (COD) –payment made at the time of use with certified funds from an approved bank or financial institution.
  - Credit Card (CC) –Payment made electronically using Visa or MasterCard.
  - Credit may be reinstated at the direction of the R&E Joint Leadership Team. Credit will only be reinstated under the terms of a modified hauler agreement containing additional credit terms and conditions that are outside of the scope of the above guidelines.

Approved by the Ramsey/Washington Recycling and Energy Board:

  
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Fran Miron, Chair

1.28.16  
Date

Amended Resolution R+EB 2016-18; 9.22-16

Amendment to Credit Policy

RESOLUTION R&EB 2016 - 18

WHEREAS, The Ramsey/Washington Recycling and Energy Board (the "R&E Board") is governed by the amended and restated joint powers agreement by and between Ramsey County and Washington County dated September 22, 2015, ("Joint Powers Agreement"); and

WHEREAS, The R&E Board has entered into waste delivery agreements with waste haulers, and has established a credit policy and payment terms for delivery of waste pursuant to those agreements (Resolution R&EB 2016-7, January 28, 2016); and

WHEREAS, The Joint Leadership Team (JLT) in consultation with Ramsey County Finance has determined that cost for administering credit card payments for all users has risen from 2.5% to 3.0%; and

WHEREAS, The JLT has proposed to amend the Credit Policy to adjust the convenience fee for use of credit cards so that the R&E Board fully recovers its cost of credit card transactions. NOW THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves a change in the convenience fee for use of credit cards from 2.5% to 3.0% in the Credit Policy for all users of the Recycling & Energy Center.

<u>Commissioner:</u>	<u>Aye</u>	<u>Nay</u>
Bigham	X	—
Carter	X	—
Huffman	absent	—
Kriesel	X	—
Ortega	X	—
McGuire	X	—
Miron	X	—
Reinhardt	X	—
Weik	X	—
Rettman (Alt)	—	—

  
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Fran Miron, Board Chair

9-22-16  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Secretary/Treasurer

9/22/16  
\_\_\_\_\_  
Date

