

Terms and Conditions of Sale Chapter Six

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Learning Objectives

- The role played by terms in day-to-day business transactions
- Major factors that influence terms
- Key elements of terms
- Types of terms and how they differ
- Impacts of payment timing and discounts on profitability

Terms and Conditions of Sale

- Important Considerations
- Influencing Factors
- Categories of Terms of Sale
- Special Terms
- Export Terms

Important Considerations

- Applying Credit Policy to Terms
- Contractual Considerations
- Antitrust Implications

Influencing Factors

- General Considerations
- Competition
- Market and Product Characteristics
- Type of Customer
- Profitability

Categories of Terms of Payment

- Cash/Prepayment Terms
- "Short" Terms
- Open Account Terms
- Discount Terms
- Analyzing the Cost of Offering Cash Discounts
- Late Charges

Special Terms

- Receipt of Goods
- Bill and Hold
- Consignment
- Floor-Plan Financing
- Contra Account

Special Terms (continued)

- Extra Dating
- Seasonal Dating
- Security Interest
- Advances
- Progress Payments

Export Terms

- Pro Forma Invoice
- Barter Arrangements
- Incoterms

Thank You!
