

CREDIT POLICY



**Reviewed & Updated at Retail: November 19, 2020
Effective: January 1, 2021**

Purpose

To outline the terms in which Central Plains Co-op offers and administers credit while managing its credit risk.

General

Customers who wish to utilize credit products provided by Central Plains Co-op must provide the Administration Department with a completed and signed credit application form. To finalize the credit agreement, the credit application must be approved by the Administration Office. Central Plains Co-op shall have the right to refuse credit privileges to any applicant at its sole discretion. The customer will be notified by the Administration Department to inform them if their application has been approved or denied.

Central Plains Co-op will perform credit checks using Equifax or any other means necessary. The organization will set credit limits on every approved application based on credit ratings and risk factors. Central Plains Co-op may withdraw credit privileges without notice, as its sole discretion, if credit terms and conditions are violated. Credit limits will be monitored and any account exceeding its credit limit may be suspended until sufficient payments are made. Accounts that have faced collection action in the past must re-apply for credit privileges in writing before any consideration is made of the same.

The interest rate for all types of credit accounts is 2% per month, 24% per annum (26.82% effective annual rate).

Any changes in credit terms and/or interest rates, must be reviewed and approved by the Board of Directors; after which the charging members will be notified at least thirty days in advance of the change.

All types of credit accounts are available to both individuals that have an equity bearing membership and corporations that have either an equity bearing membership or non-equity bearing account. At the discretion of Central Plains Co-op, personal guarantees and/or letters of credit may be required on corporate accounts.

Monthly Charge Accounts

Availability

The monthly charge account is available to Central Plains Co-op members and commercial non-members for eligible purchases.

Terms

All purchases made during a calendar month, are payable in full by the 20th day of the following month. All account holders are mailed a monthly statement no later than the 10th day of each month. Failure to pay in full by the due date will result in an interest charge levied on the unpaid balance that is past due. All payments are first applied to interest and then to the oldest debt outstanding unless the account is denoted as an open account in which case it would be applied in accordance with the instruction on the remittance advice.

Eligible Purchases

The following are excluded items that are not eligible to be charged, regardless of location:

- Liquor – liquor is not eligible to be charged unless it is for an organization that is using it for an event (i.e. rodeo, sports day)
- Prescriptions – other than for patients living in centrally administered communal residences
- Lottery
- Tobacco

Items that are eligible to be charged differ by location.

- Home centres, agro centres, cardlocks and bulk petroleum: all items other than the excluded items above are eligible purchases.
- Food stores: no items are to be charged except for food purchases for governments, institutions, and not-for-profit organizations.
- Gas bars: gasoline, diesel, diesel exhaust fluid, oil, and lubes, and propane purchases are the only items eligible to be charged.
- Liquor - liquor is not eligible to be charged unless it is for an organization that is using it for an event (i.e. rodeo, sports day)
- Hybrid stores: The excluded items above are not eligible to be charged. The only food purchases eligible to be charged are those for governments, institutions, and not-for-profit organizations. All other items are eligible to be charged.
- Pharmacies – prescriptions are not eligible to be charged unless the patient lives in a communal residence where the procurement of prescriptions is centrally administered.

Fees

The customer will pay all costs incurred by Central Plains Co-op in the collection of a past due account including any charges or fees of any collection agent, NSF payment charges and legal fees.

At the discretion of the Administration Management Team, fees will be charged to customers for additional services performed outside of the scope of the credit agreement between the customer and Central Plains Co-op at the rate of \$50 per hour. Examples of these services would include but are not limited to bookkeeping and account reconciliations. Additional fees may be charged at the discretion of the Administration Management Team.

Payment on Account

Payments for all types of charge accounts are accepted at all locations and through online banking. The Co-op will accept cash, cheque, debit, online banking, and bank draft as approved forms of payment on charge accounts. The Co-op will not accept payment on account by way of credit card or gift card.

For customers wishing to prepay their account, the Co-op will accept cash, cheque, debit, online banking, bank draft and credit card as an approved form of payment. To use a credit card for a prepayment, the account must have a credit balance or a nil balance.

Credit cards

Credit cards will only be accepted as a form of payment at the time of purchase. Credit cards cannot be used as form of payment to pay for a purchase that has been charged. Generally, credit card payments must be made in person with the card present.

Cheque Acceptance

All approved members can perform payment with a personal cheque. Other than cheques drawn on the account of Central Plains Co-op, no third-party cheques will be accepted.

Account Adjustments

The write off or adjustment to any account or any interest owing must be approved by a member of the Administration Management Team. For amounts over \$750 it must also be approved by the Board.