



Franchise Royalties Payment Processing

Objective: To define the royalty structure and payment processing system for UAC franchisees, ensuring clarity, transparency, and consistency.

Scope: Applies to all UAC franchisees and UAC head office staff involved in royalty calculation, invoicing, payment, and compliance.

Policy:

- UAC charges a flat 8% royalty fee on gross revenue.
- Royalties are all-inclusive with no hidden or additional fees.
- Payments are due monthly and processed through the approved UAC Finance System.

Procedure

1. Calculation of Royalties

- Royalties = 8% of gross monthly revenue.
- Gross revenue must be reported accurately via GymMaster / POS system by the 3rd business day of each month.

2. Invoicing

- The UAC Finance Team issues automated invoices by the 4th business day of each month.
- Invoices are sent to the franchisee's registered email and uploaded into the Finance Portal.

3. Payment Processing

Franchisees must:

- Pay royalties by the 5th business day of the month.
- Use only approved payment channels:
 - Direct Debit (preferred)
 - Bank Transfer
 - Credit Card via UAC Finance Portal
- Reference their Club ID and Invoice Number on all payments.



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4. Confirmation & Receipts

- Once payment is received, the Finance Team issues a receipt confirmation via email.
- Payments are automatically logged in Xero (or accounting system) and reconciled with reported revenues.

5. Non-Compliance / Late Payments

- Payments not received by the 7th business day incur a late fee penalty as outlined in the Franchise Agreement.
- If payment is overdue beyond 14 days, UAC may:
 - Restrict access to marketing or system support
 - Escalate to franchise support officer for resolution

6. Audit & Verification

- UAC conducts quarterly audits to verify reported revenues match actual POS/GymMaster data.
- Any discrepancies must be resolved within 10 business days.

Responsibilities

- Franchisee: Submit accurate revenue, process payment on time, retain proof of payment.
- UAC Finance Team: Invoice, track, reconcile payments, and issue receipts.
- UAC Support HQ: Ensure franchisees receive services covered under royalties.