



## CREDIT

Ron Jeske | Christine Miller

Annual Sales Meeting  
February 12, 2011

# Credit | Meeting Agenda

- Introduction
- Overview
  - Credit Applications
  - Credit Limits
  - Order Releases
  - Job Sheets
  - Account Maintenance
  - Credit Holds
  - Liens/Bonds
- Open Discussion



# Credit Application

- Name and Address
- Credit and Financial References
- Signature
- Terms and Conditions
- Tax Exempt Certificate
- Contractor License



## Credit Application

### Terms and Conditions

We look forward to serving you as a customer of Dana Kepner Company, Inc. Before we can extend credit to your firm, please...

1. Complete and sign the Credit Application.
2. Initial and date the "Terms and Conditions", indicating that you have read and understand them.
3. Fax the Credit Application form and Terms and Conditions to the number that corresponds to your state:
  - Arizona ..... 303.446.3900
  - Colorado ..... 303.446.3916
  - Montana ..... 303.446.3916
  - Nevada ..... 303.446.3916
  - Texas ..... 806.374.1431
  - Wyoming ..... 303.446.3916



# Credit Application

## ➤ Name and Address

- Phone/Fax #
- Yrs. in Business
- Type of Business
- PO Required
- Principals/Partners

## ➤ Credit and Financial References

- 2-3 Credit References
- 1 Financial Reference

CREDIT APPLICATION DANA KEPNER COMPANY, INC.				
Legal Name of Company: _____				
dba: _____		Phone: _____	Fax: _____	
Mailing Address: _____		City: _____	State: _____	Zip: _____
Street Address: _____		City: _____	State: _____	Zip: _____
Federal ID # _____		Resale # _____	PO Required _____	
Contractor's License # _____		Bonding Company _____		
Type of Business Engaged In _____		Yrs. in Business _____		
Subsidiary/Affiliate of _____				
( ) Corporation – State of Incorporation: _____		Yrs. Of Incorporation _____		
( ) Proprietorship ( ) Partnership				
<b>Principals / Partners:</b>				
Name	Home Address	SS#	Home Phone	
_____	_____	_____	_____	
<b>Credit References:</b>				
Name	Account Number	Phone Number	Fax Number	
_____	_____	_____	_____	
<b>Financial References: Bank-Checking, Bank Loans, Equipment Loans</b>				
Name of Bank	Account #	Contact	Phone	Fax
_____	_____	_____	_____	_____
Bank Loans				
_____				
Equipment Loans/Lease				
_____				

# Credit Application

## ➤ Signature

- Terms of Sale/Credit Policy
- Guaranty of Account (Personal Guaranty)

Dana Reposa Company, Inc. shall hereinafter be referred to as DK and the applicant shall be referred to as "Applicant".

**TERMS OF SALE:** Our terms of sale are NET 30 DAYS – DATE OF INVOICE. Accounts will receive a reconciling statement of their account each month. All past due balances will be subject to a finance charge of 2% per month (24% per annum.) Accounts with balances of over 60 days or which have exceeded their credit limit may be placed on Credit Hold and may remain on hold until account status is within terms. Deductions for claimed errors in shipping or invoicing deducted from payment is not allowed until credit memo is written.

**CREDIT POLICY:** All orders will be shipped COD unless an account has been established with open terms. DK reserves the right to close or cancel a credit account without notice.

I/We declare under penalty of perjury that the foregoing information is true and correct and agree to DK Standard Terms and Conditions printed on the reverse side of this credit application and on the invoices provided to the customer. DK is authorized to obtain credit reports/financial information as necessary to evaluate credit worthiness.

By \_\_\_\_\_ Print Name \_\_\_\_\_ Title \_\_\_\_\_

**GUARANTY OF ACCOUNT**

In consideration of the extension of credit to the customer by DK, and as an inducement to DK to continue to extend credit to said applicant, the undersigned jointly and severally, unconditionally guaranty the payment of all sums of money as are now or at any time hereinafter may be owing to DK by said applicant, as a result of DK extension of credit, any undersigned guarantor who is married expressly represents the he/she has been duly authorized by a non-signing spouse for the purpose herein, so as to bind their martial community.

This is intended to be a Continuing Guaranty and shall not be revoked except by written notice to DK not to make any further sales and deliveries on the security of the guaranty and until the expiration of five (5) days after such notice has been received by DK by registered mail, return receipt requested. Any such revocation shall be effective only with respect to merchandise shipped or delivered after the expiration of said five day period, and shall not affect, in any respect liability incurred by the undersigned prior to that time.

By \_\_\_\_\_ Date \_\_\_\_\_ Partner/Spouse \_\_\_\_\_ Date \_\_\_\_\_

Print \_\_\_\_\_ Print \_\_\_\_\_

Partner \_\_\_\_\_ Date \_\_\_\_\_ Partner \_\_\_\_\_ Date \_\_\_\_\_

Print \_\_\_\_\_ Print \_\_\_\_\_

Altered applications will not be considered. All sections must be filled out. Please attach financial statement.



# Credit Application

## ➤ Terms and Conditions

- The standard Terms and Conditions of Sale form must be initialed and dated in order to process the application!

**THIS AGREEMENT IS NON-NEGOTIABLE**

Dana Kepner Company, Inc.  
STANDARD TERMS AND CONDITIONS OF SALE

INITIAL \_\_\_\_\_  
DATE \_\_\_\_\_

TAXES – All Federal, State and Local sales, use or similar taxes will be for buyer's account.

PAYMENT TERMS – The net amount of invoices shall be due and payable in cash 30 days after invoice date. The material is subject to shipment in whole or in part at the option of the seller and each such shipment is subject to immediate invoicing. If at any time seller deems the financial responsibility of the buyer unsatisfactory, it reserves the right to require payment in advance, or other security or guarantee that invoices will be paid promptly when due. If buyer fails to comply with the terms of payment or with any other terms of sale, seller shall have the right to withhold further deliveries or to cancel the unfilled portion of any order. All unpaid accounts shall thereupon become due and payable without prejudice to any claims for damages seller may be entitled to make. Interest of 2% per month (24% per annum) in Colorado, Wyoming, Nevada, and Arizona and 1-1/2% per month (18% per annum) in Montana, and Texas will be added on any past due accounts, and if the account is not paid when due buyer agrees to pay all reasonable costs of collection including a reasonable sum for attorney fees.

# Credit Application

## ➤ Tax Exempt Certificate

**Arizona Department of Revenue**  
**Transaction Privilege Tax Exemption Certificate**  
ARIZONA FORM 5000  
This form replaces earlier forms: 5000, 5001, 5002.

This exemption Certificate is prescribed by the Department of Revenue pursuant to ARS § 42-5009. The purpose of the certificate is to document tax-exempt sales to qualified purchasers. It is to be filled out completely by the purchaser and furnished to the vendor. The vendor shall retain this Certificate for single purchases or for specified periods as indicated below. Incomplete Certificates are not considered to be accepted in good faith. Only one form of exemption can be claimed on a certificate.

Purchaser's Name and Address \_\_\_\_\_  
Seller's Name \_\_\_\_\_

Check Applicable Box:  
☐ Single Purchase Certificate  
☐ Period From \_\_\_\_\_ Through \_\_\_\_\_

Choose one transaction type per Certificate:  
☐ Sales to a Business (Please check appropriate item from numbers 1 - 19)  
Arizona Transaction Privilege Tax License Number \_\_\_\_\_  
TIN \_\_\_\_\_  
Other Tax License Number \_\_\_\_\_  
Other State/Country \_\_\_\_\_  
If no license number, provide reason: \_\_\_\_\_  
Precise Nature of Purchaser's Business \_\_\_\_\_

☐ Sales to Native Americans (Please check item number 23)  
Tribal Members \_\_\_\_\_  
Tribal ID# \_\_\_\_\_  
Name of Tribe \_\_\_\_\_

☐ Sales to nonresidents (Please check appropriate item from numbers 24 - 26)  
State of residence \_\_\_\_\_  
Driver's License# \_\_\_\_\_  
State \_\_\_\_\_  
SSN/ID# \_\_\_\_\_  
30 day Drive out # \_\_\_\_\_

☐ Sales to a Government entity (Please check appropriate item from numbers 1-22)

**Wyoming Sales Tax Exemption Certificate**  
(see back of this form for instructions)

Tax must be collected on all sales of tangible personal property, or taxable services unless an Exemption Certificate or Direct Pay Permit is furnished. Read instructions on back of form before completing this Certificate.

Issued to (Seller): \_\_\_\_\_  
Street Address \_\_\_\_\_ City \_\_\_\_\_ State Zip Code \_\_\_\_\_  
Date Issued: Dec 17, 2010

To Be Completed By Purchaser: I, the undersigned, hereby certify that I am making an exempt purchase as follows:  
Wyoming or Out of State Vendor's sales tax license/registration number 12-3456789 Wyoming Non-licensed Rtd.  
My principal business or activity is Tribal Water/Wastewater Utility

I claim an exemption for the following reason(s) (place an X in applicable box or boxes):  
Purchase For Reason:  
☐ 1. Purchases made for resale or taxable services for resale. (Licensed vendors only.)  
Purchase By Commercial Agricultural Producer:  
☐ 2. Purchase of farm implements.  
☐ 3. Purchase of livestock kept for agricultural use or for resale or for profit, which includes, but is not limited to: horses, cattle, mules, asses, sheep, swine, llamas, bison, ostrich, emu, poultry, fish, and bees.  
☐ 4. Purchase of power or fuel used directly in agriculture. Must be metered, stored, or separately accounted for to distinguish it from non-exempt power or fuel.  
☐ 5. Purchase of feeds used in commercial feeding of livestock for marketing purposes. Also includes seeds, roots, bulbs, small plants, and fruit trees.

I hereby certify that I hold valid seller's permit number 0123456789 issued pursuant to chapters 372, 374 and 377 of the Nevada Revised Statutes; that I am engaged in the business of selling Pipe, Valve, Fittings; and that the tangible personal property described in the second paragraph of this certificate, which I purchase from: \_\_\_\_\_, will be resold by me in the form of tangible personal property. I further certify that in the event any of the property is used for any purpose other than retention, demonstration or display while I am holding it for sale in the regular course of business, it is understood that I am required by chapters 372, 374 and 377 of the Nevada Revised Statutes to report it and pay the tax measured by the purchase price of the property.

Description of the property to be purchased: \_\_\_\_\_

Purchaser: ABC Company  
Address: 123 Fake St  
Henderson, NV 89014

Dated Nov. 11, 2010  
at Henderson, NV

Signature of Authorized Purchaser  
Joseph White

**CONTRACTOR'S EXEMPT CERTIFICATE**  
Exempt Organization: **CITY OF FORT COLLINS**

USE ACCOUNT NUMBER for all references	EFFECTIVE DATE	EXPIRATION DATE
01-23456-7890	08-01-09	01-31-11

PHYSICAL LOCATION: **KENNEDY STREET BRIDGE  
FORT COLLINS, CO**

ABC COMPANY  
123 FAKE STREET  
DENVER, CO 80204

Roy Hinder  
Executive Director  
Department of Revenue

This certificate is not to be used by contractors to purchase building materials (except to be used for the above exempt project at the above location only).

I hereby certify that the contractor listed below is a subcontractor on this project. All purchases by the subcontractor are also exempt.

Subcontractor: JOE'S CONSTRUCTION CO.  
Address: 1717 E. LAKE DRIVE, FORT COLLINS, CO  
Signed under penalty of perjury in the second degree.  
Abel Castillo



# Credit Application

## ➤ Contractor License

### Summary

ID Number: 01234567890  
 Name: ABC COMPANY

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Registered Agent: Abel Castillo  
 Registered Agent Street Address: 123 Fake St, Denver, CO  
 Registered Agent Mailing Address:

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Principal Street Address: 123 Fake St, Denver, CO  
 Principal Mailing Address: PO Box 123, Denver, CO

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Status: Good Standing  
 Form: Corporation  
 Jurisdiction: Colorado  
 Formation Date: 07/28/1977  
 Term of Duration: Perpetual  
 Periodic Report Month: July

Name: ABC COMPANY, INC  
 ID #: A123456  
 Type: GENERAL BUSINESS  
 Jurisdiction State: MT  
 Status: ACTIVE  
Status Reason: GOOD STANDING

### Status Dates

Expiration Date:  
 Date of Incorporation: 02/11/2002  
 Last AR Filed: 01/05/2011  
 Suspension:  
 Inactive Date:  
 Diss/Wldhdt/Revoke:

### ABC COMPANY INC.

#### Business Entity Information

Status:	Active	File Date:	6/24/1977
Type:	Domestic Corporation	Entity Number:	A1234-5678
Qualifying State:	NV	List of Officers Due:	5/31/2011
Managed By:		Expiration Date:	
NV Business ID:	NV12345678900	Business License Exp:	6/31/2011

Secretary's Desk | Administrative Services | Business | Compliance | Elections

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Home > Business > Online Services

This detail reflects the current data for the filing in the system.

File your Annual Report

#### ENTITY DETAIL

Name: ABC Company	Status: Active
Filing No: 1234-000123456	Sub Status: Current
Type: Profit Corporation - Domestic	Standing - Tax: Good
Old Name:	Standing - RA: Good
Fictitious Name:	Standing - Other: Good
Sub Type:	
Formed In: Wyoming	Initial Filing: 07/03/1968
Term of Duration: Perpetual	Inactive Date:
Purpose Code:	
Principal Office: 123 Fake St Casper, WY 82601 USA	Mailing Address: PO Box 123 Casper, WY 8



The data supplied below is based on your specific request(s) and is correct to the best of our knowledge as of the date and time it was extracted from our data files. The information is provided without personal research or analysis. The data is subject to change on a daily basis. You may obtain additional public records related to any licensee, including dismissed complaints and nondisciplinary actions and orders, by contacting the ROC directly. If this information is required for legal purposes, you may request an affidavit or certified copies for a fee as specified in A.R.S. 32-1104AS. Please read our Standard Disclaimer at [www.azroc.gov/Legal/Disclaimer.html](http://www.azroc.gov/Legal/Disclaimer.html)

Please note: The company or individuals listed on this license may hold other Arizona contracting licenses. To view information, status and complaint history for the past two years on other licenses held, go to the License Inquiry page and do a "Company Name and Personnel" search by entering the name of the company or individuals listed on the license.

#### Details for License Number 270063 (Thursday, January 13, 2011 12:03:47 PM)

Contractor		License	
Name/ Address/ Phone	Status/ Action	Class   Type   Entity	Issued/Renewal
ABC COMPANY 123 FAKE STREET PRESCOTT, AZ 86301 Phone: (928) 123-4567	CURRENT	K-42   DUAL   SOLE PROPRIETORSHIP	First Issued: 12/30/2010 Renewed Thru: 12/31/2012
		Recovery Fund Participant	Yes

License Class & Description | K-42 ROOFING



# Credit Limit

- Factors to consider when establishing a credit limit:
- Background in the industry
  - Years in business
  - Type of industry
- Credit history
  - Does the customer have good credit history?
  - Date account opened
  - Payment history (ADP)
  - Outstanding balance
- Financial history
  - History of NSF
  - Average balance (past 12 months)
  - Growth, Mature, or Unstable Company



**\*Note: If a company is not very strong, we might be able to do a joint check agreement with the GC to have customer open an account**

# Order Releases

## ➤ Misc Orders

- Must be under \$1,000
- Must have exact address
- Orders > \$1,000 must have job sheet

## ➤ Account Notes

- PO # required
- Authorized personnel
- Credit hold
- COD account

The screenshot shows a software window titled "Order Releases". At the top, there is a field for "Customer/Name:". Below this is a table with columns: "Note Type", "# Description or First Line", "Date", "Time", and "Flags". The first row of the table has the value "1" in the "Note Type" column. Below the table, there are navigation arrows "<" and ">". The main text area contains three lines of text: "PLEASE PROVIDE PO # ON ALL ORDERS", "MUST SET UP JOBS ON ORDERS OVER \$1,000", and "PLEASE PROVIDE ADDRESS ON ALL MISC ORDERS". At the bottom left, there are two tabs: "Links" and "Other", with "Other" currently selected. Below the "Other" tab, there are "Print Options" with two radio buttons: "Do Not Print Note" (selected) and "Print Note". Below that is a "Flags" section with a checked checkbox labeled "Required". At the bottom right, there are three buttons: "Save", "Cancel", and "Help".

Note Type	# Description or First Line	Date	Time	Flags
1		01/12/11	15:13	

< >

PLEASE PROVIDE PO # ON ALL ORDERS

MUST SET UP JOBS ON ORDERS OVER \$1,000

PLEASE PROVIDE ADDRESS ON ALL MISC ORDERS

Links  
Other

Print Options  
☒ Do Not Print Note  
☐ Print Note

Flags  
☒ Required

Save Cancel Help







# Job Information Sheets

- A completed job sheet is necessary for a job to be set up in the system.
- Should a job setup be needed immediately due to an emergency delivery or shipment, it must be discussed and approved by the appropriate credit manager.
- If the job sheet for an emergency shipment is not completed within 5 working days (from the date of setup), **THE JOB WILL BE CLOSED.**
  - Once the completed job sheet is received, the job will be reopened.

# Job Information Sheets Must Include:

- Customer Information
- Project Information
- Estimated Amount of Material
- General Contractor
- Project/Property Owner
- Bonding Company

Dana Kepner Company, Inc. | Western Industrial Supply, LLC.  
New Job Data Sheet

Customer:  Today's Date:   
Phone:  Fax:   
Sales Rep Name:

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**Project**

Project Name:   
Job No.:  Customer PO:  Est. Start Date:  Est. Material (\$):   
Project Address:   
City:  State:  Zip:   
Is there a Tax Certificate? ☐ Yes ☐ No If yes, then please attach a copy to this Job Data Sheet.

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**General Contractor**

Name:  Phone:   
Address:  Fax:   
City:  State:  Zip:

---

**Sub Contractor** ☐ Tier 1 ☐ Tier 2 Tier 1: Customer is Sub to the GC Tier 2: Customer is Sub to the Sub

Name:  Phone:   
Address:  Fax:   
City:  State:  Zip:

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**Project/Property Owner**

Name:  Phone:   
Address:  Fax:   
City:  State:  Zip:

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**Bonding**

Is this project bonded? ☐ Yes ☐ No  
Bonding Company:  Phone:   
Bond Number:  Fax:   
Address:   
City:  State:  Zip:

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**Arizona & Nevada Jobs Only**

CNS Log #:  Prelim #:  APN (NV only) #:



# Account Maintenance

## ➤ CREDITS

- Process credits in a timely manner
  - Vendor credits
- Delayed processing upsets customer
- Payments withheld for pending credits
  - Service charges
- Wait until credits are actually posted on the account before quoting customers credit amounts
- Credits are only applied at the customer's request

## ➤ CASH LOGS

- Checks deposited **same day** they are received
- Fax/email to Accounts Receivable & Credit
- Timely posting of payments
  - Affects credit holds
  - Lien/bond claims



# Credit Holds

## ➤ Order Holds

- First shipment on the job
- The customer's account total (including open orders) for all jobs has exceeded their credit limit
- The job total has exceeded the estimated amount established for the job
- Missing sales price on the order (\$0.00)
- If the account is past due

## ➤ Account Holds

- Delinquent
- NSF Checks
- File on lien/bond
- Bankruptcy







# Liens/Bonds

**Dana Kepner does not relinquish lien and/or bond rights!**

- For any accounts with lien and bond rights in jeopardy: Branches must not delay in communicating any payments received, Credit must be provided with status updates as they occur.
- A MINIMUM of 2 weeks prior to lien and bond rights expiration: Credit will directly contact customers who are approaching the deadline to notify them of Dana Kepner's intentions.
  - In the event communication with a particular customer is conducted exclusively at the branch level, Credit will notify the branch manager in lieu of contacting the customer directly. The branch manager will immediately contact the customer and notify the Credit Department of the results of any contact. If credit does not receive communication from the branch manager within two days, credit will contact the customer directly.

# Liens/Bonds

- In order to file a lien, the material must improve or enhance the property
- Misc is unsecured – no rights therefore exposure is limited
- For AZ/MT only - We only have 20-days after the first shipment to notify the GC, Owner, and Bonding Company and/or Lender) for both liens and bonds
  - (For AZ only) - The GC, Owner, and Bonding Company and/or Lender only have 10-days to notify us or CNS if the information is incorrect



# Liens/Bonds

- For CO only – No notice required
- For WY only – The notice of “Right to Claim a Lien/Bond” must be sent to the GC or Owner no later than 60 days after the date on which materials are first furnished
- For NV only - We only have 30-days after the first shipment to notify the GC, Owner, and Bonding Company and/or Lender) for both liens and bonds

Please note that the “clock” for establishing a timeline for the filing of a lien or bond begins at the date of delivery, NOT the invoice date.