

Payment guarantee

If you handle your orders through Smart and are employed by Smart, you can benefit from the **payment guarantee**.

The payment guarantee includes two aspects:

1. The **salary guarantee** means that you receive an averaged salary from Smart at the end of the month based on future orders. Smart advances your salary and pays it out to you even if Smart has not yet issued the invoice to your client or is awaiting payment from your client. This ensures that you receive a regular salary at the end of each month, making you less dependent on fluctuating payments. You can determine with Smart which salary category suits you best and can adjust this category depending on your planned orders.

2. Under the **payment default guarantee**, you continue to receive your salary even if Smart has not been paid on time by your client. In this case, Smart will take care of contacting your client and reminding them to pay the invoice. If, despite multiple payment reminders, your client does not pay the invoice from Smart, Smart will formally demand payment from your client. Before Smart takes this step, you will be contacted to discuss the details. If your client does not pay the invoice even after a payment demand, Smart is liable with the assets of the cooperative.

The two basic requirements of the payment guarantee are:

1. Your client has formally **confirmed the order online or by signing the order form** (or framework agreement) with Smart. Only then does Smart have the legal basis to demand payment from your client and send a payment reminder or effect debt collection.

2. Your client is **based in the European Union**. For clients outside the European Union, it is very difficult for Smart to demand payments and send payment reminders.

When does the payment default guarantee not apply?

- Your client has not signed the order form or framework agreement and did not confirm the order online. In this case, Smart has no legal basis to demand payment from your client or send a payment demand.
- Your client is based outside the European Union.
- The service period lies in the past (client confirmation through the portal cannot be done on that order, as changes are not possible)
- You have not completed the order to the satisfaction of your client. As there are often different perspectives in such cases, Smart offers to act as an intermediary in close

communication with you to reach an agreement with your client that satisfies all parties. This can be advantageous for you, as Smart has a lot of experience in mediating disputes and can be seen as a stronger counterpart. If an agreement is reached with your client to only pay a portion of the invoice, the payment default guarantee applies only to that partial amount. If you disagree with the agreement, you can convene an independent committee consisting of other Smart members.

- You have only partially completed the order. In this case, the payment default guarantee applies only to the part that has actually been completed and invoiced.
- The order could not be fulfilled due to force majeure (e.g., COVID-19). If an individual contractual arrangement exists with your client regarding order failures due to force majeure (e.g., compensation payment), the payment default guarantee applies only to the contractually regulated compensation payment.
- If you do not allow Smart to send a payment reminder or demand to your client.

Special conditions for framework agreements / orders with recurring payments:

If you have agreed to a confirmed and signed framework agreement with a client in the European Union, the following applies:

- Estimate the planned units or hours you will provide to the client per month and select an appropriate employment category. A minimum estimate of units or hours must be included in the signed framework agreement so that a realistic employment category can be chosen.
- If the estimate does not materialize as expected (if you work more or fewer units or hours per month), your employment category can be upgraded or downgraded to balance your budget.
- The payment default guarantee applies only to the units or hours actually invoiced and provided.
- Clients outside the European Union or unsigned order forms or framework agreements: There is no payment default guarantee in these cases.
- Payments to Smart via a credit without a signed order form and invoice: Your employment with Smart can only begin or be extended in these cases when your client has paid invoices or credits totaling the first or next month's salary in your chosen employment category. There is no payment default guarantee in these cases.

Special conditions for higher amount invoices

- Invoices of €500.00 or more to private clients abroad in the EU - additional security measures are required — specifically, your client's bank account details (IBAN). This will assist our international debt collection service in recovering your funds in case of non-payment. Please inform your clients and send us the relevant information. Alternatively, we can contact them directly. If this information is not provided, the invoice can be issued without a payment guarantee.
- **Invoices of €5000.00** or more to all clients - if using the client confirmation through Smart Portal, the order needs to be additionally signed by the clients.

In some cases, **e-mail correspondence** can also be used for the payment guarantee.

The following conditions must be met for any proof that does not run via the client confirmation in the portal:

- Smart must be mentioned as the contractual partner.
- It must be clear to which service the confirmation applies, as well as the service period and the invoice amount.
- The client must be clearly recognizable from the correspondence with the full name.

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