


<b>Policy</b>		
 LABORATORY ACCREDITATION BUREAU	Subject: PAYMENT POLICY	No. Policy 006
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## **1. Purpose**

This policy defines the way in which L-A-B will invoice clients, and L-A-B's expectations of their clients.

## **2. Scope**

This policy applies to all accredited and applicant laboratories. It is the responsibility of the laboratory to comply with this policy in order to maintain conformity with the accreditation requirements.

## **3. Responsibility**

The President of L-A-B is responsible for approving all financial policies. Only the President of L-A-B, Chairman of the Members Council or designee may alter/sign financial contracts with clients.

## **4. Initial Accreditation Fee**

### **4.1 Initial Fee**

Estimates sent to prospective clients require payment of the "initial fee", which includes the application fee, and preparation and document review fees, in order to begin the process of the accreditation assessment and granting of accreditation.


### **4.2 Assessor Scheduled**

After receipt of the "initial fee", L-A-B will proceed with the process, including the choosing of assessor(s).

## **5. Remaining Fees**

### **5.1 Initial Annual Fee**

This fee will be invoiced after the initial accreditation assessment.

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## **5.2 Man-day Fees**

The remainder of the fees include the man-day fees and the travel expenses of the assessor(s). These will be invoiced after the applicable event.

## **5.3 Charges for Assessment Visits**

Upon completion of any assessment visit, the assessor will provide to L-A-B, a completed expense report for the days spent and the travel/living expenses. L-A-B will immediately invoice the client for these charges.

## **5.4 Charges for Corrective Action Resolution**

If additional post-assessment time is required to review and close a corrective action, L-A-B will invoice to the client, appropriately, after completion of the corrective action review and approval.

## **6. Accreditation Granted**

All invoices must be paid in full prior to the certificate and scope of accreditation being issued.

## **7. Annual Fees**

Each year on the anniversary date of the accreditation, annual fees will be due. L-A-B will invoice the fee with the current year project.


## **8. Surveillance**

### **8.1 Scheduling**

Approximately every twelve months from the initial accreditation assessment another assessment will occur. These are called "Type I Surveillance" or "Type II Surveillance", respectfully.

### **8.2 Notification**

The scheduled assessor and the client will receive notification of the pending surveillance date about three months prior to the date. The assessor and client

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together will agree on the date of the surveillance visit, which must be plus or minus thirty (30) days from the “surveillance date”.

### **8.3 Payment of Surveillance Fees**

The assessment preparation and review fees as well as the man-day charges and assessor travel expenses will be invoiced shortly after the on-site assessment. These charges will be due 30 days from invoice date.

### **9. Clients with Chronic Payment Problems**

Clients who have a history of late payments or defaulting on payments may be required to put down a deposit at the time the assessor is assigned, approximately three months before the visit is due. This deposit will consist of the preparation/reporting fees as shown on the estimate, the estimated man-day fees at the current man-day rate, and the estimated travel/living expenses.

Any adjustments to match actual fees and expenses will be provided to the client after the assessment, along with a detailed summary.

Submitting late payments in previous years does not automatically mean that a deposit will be required. Whether or not a deposit will be required will be at L-A-B’s discretion. Although the client is not penalized with suspension of accreditation until an invoice is sixty (60) days outstanding, a late payment will be considered any payments that are received after 45 days.


Note: Generally, a deposit will not be required of clients who have taken a proactive stance in paying their past balances, even if the final payment was received by L-A-B a few days late.

### **10. Cancellation Policy**

When the client cancels a scheduled and mutually agreed upon visit, the following will apply:

**Less than four weeks** prior, the client will be invoiced for the travel expenses already committed to:

- A. Non-changeable/non-refundable tickets
- B. Deposit for hotel reservations

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**Less than three weeks** prior, the client will be invoiced for the assessor's scheduled time for the visit.

It is the policy of L-A-B to attempt to meet the client's desired schedule for assessment visits. L-A-B assessors make every attempt to schedule visits with more than one client in the same general proximity during the same trips in order to help keep costs to the client at a minimum.

It is also the policy of L-A-B assessors to book reservations as far in advance as possible and therefore take advantage of reduced airfares and room rates. Last minute cancellations defeat this purpose and become a cost, which must be passed on to the client.

#### **11. All invoices are Typically "Net 30 days":**

**11.1 Initial Invoice** - We ask our clients to make payments in a timely fashion when an invoice is received.

**11.2** A statement will be sent if payment is not received within **30 days**.

**11.3** A 1.5% monthly charge will be applied after **45 days**.


**11.4** A final letter will be sent if payment is not received within **60 days** stating that accreditation will be **suspended for non-payment**. The listing (including scope) on the website can be removed.

**11.5** If full payment is not received within **90 days** of the date of suspension, the accreditation can be **terminated** and the file made inactive.

**11.6** If you have paid the initial fee and undergone an assessment but have not paid for the remaining fees within 90 days of the assessment, the file can be made inactive.

**11.7** Once the file has been made inactive, the client will have to **re-apply** by paying the "initial fee" again to restart the process.

**11.8** When full payment is made after suspension, but prior to termination, and the listing is to be added back to the web site, there will be a charge of **\$500, payable in advance**, for this administrative task. It will be at the discretion of the

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L-A-B Technical Staff to determine whether a full assessment visit is necessary as a follow-up to the suspension period.

## 12. Contacts

If there are special billing instructions, such as a contact name or specific fax number for accounts receivable, please keep L-A-B updated with that information.

## REVISION HISTORY

Revision Level	Revision Date	Revised By	Brief Description of Revision
ORIG	08/10/02	Rachel Levine	Established Policy Statement
1	03/05/03	Rachel Levine	Modified policy to reduce non-payment time prior to suspension for non-payment
2	05/30/03	Rachel Levine	Modified policy to clarify when the annual fees are sent both in the initial year and each year thereafter.
3	7/15/03	Rachel Levine	Modified policy to include the requirement of a deposit up front for clients who made late payments in the past
4	10/6/03	Cynthia Martin	Revision of Policy Statement
5	12/12/03	Robert Levine	Revised to comply with "terms and Conditions"
6	05/22/10	Linda Mumma	Revised to current organizational structure

APPROVED:  Date: 05/22/10