



## Business Contract Information: 2015/2016

---

The business contract is a way for your firm to increase sales revenue, with consistent income every month. This will help pay for monthly expenses, such as payroll.

### There are two types of business contracts in the VEI system:

1. In-Network contracts & sales: Firms are encouraged to engage in business-to-business sales and contracts with other VEI firms. There is no limit to the number of in-network contracts or amount of money a firm can sell with these agreements from other firms.
2. Out-of-Network contract & sales: Any firm may make a business contract for sale of goods/services with any real firm from their community, school administrators, or with the VEI Office. These sales, and any sale made to a person without a VEI bank account or sales not made at an official VEI trade show, are known as “out-of-network” sales. The total out of network sales allowed from any one firm cannot exceed 75% of the annual gross salary plus the COGS from those sales, also known as salary net of COGS.
  - a. If a firm will not be conducting any other out-of-network sales such as open houses, sales to non-VEI peers, sales to outside business mentors, etc., then the firm may contract with the VEI office and/or real business for the full amount of 75% of annual salary (net of COGS).
  - b. If a firm will be conducting other out-of-network sales, then the amount of the contract with VEI/real business should account for this, and total no more than the 75% of annual salary (net of COGS) less the other out-of-network sales or projections.
  - c. Maximum out-of-network sales calculator is available on the “Out of Network Business Contract Application” which your coordinator has.
  - d. Payments for these contracts are paid monthly by the VEI office, and all contracts/back-up forms must be submitted through the portal under submittal forms/payment request for approval and payment.

### When Should Firms Submit the Contract/s?

Firms should submit the contracts by Friday, October 23, 2015 to ensure a monthly deposit for payroll in October. Firms can submit the contract after this date, but the contract and deposits will not start until after November 1, 2015. The potential national business competitors will want to start payroll for October, and will want to receive the contract deposit before the end of the month.

### What Forms Do Firms Submit?

The Accounting and/or Sales Department/s should

1. Fill out the Business Contract Application for any contract with VEI Office or out-of-network. *Keep Salaries between \$25,000-\$90,000 for all employees. See the suggested salary sheet and research online for starting salaries.*
2. Write up the actual contract with exact terms (payment schedule, price per item, number of products sold), description of products sold, contact information and signatures of both parties.
3. The Payroll spreadsheet showing all details & taxes: including SDI: may use template in portal.
4. Complete the payment submittal form on the portal and upload the above documents there.