

1. Broker Carrier Agreements – Submit to OperFi for Approval

- o Ensure your Broker/Carrier Agreements have clauses protecting you and us from common issues:
 - Offset Provision Factoring Provisions Transparency Laws Carrier Waiver

2. TMS Platform Requirement

- o Once Broker Clients reach 20 loads per month, Client must subscribe to a TMS Platform
- o Contact OperFi for TMS recommendations

3. Rate Confirmation Language Requirements – Submit Rate Confirmation Template for Approval

- o Must have a separate email address specifically for NOAs to include on Special Instructions
- o Add OperFi's broker specific NOA email address
- o Contact OperFi for Rate Confirmation Template if not currently using a TMS

4. Customer Factoring Requirements

- o Must factor all customers unless you have 5 or more customers which at that point it is flexible
- o If credit is not approved, payments are still processed through OperFi. Funded by Client.
- o If the customer pays in favorable terms, individual customer rate adjustments can be arranged

5. Paying Carriers for Non-Factored Loads

- o If Broker requests OperFi to issue a payment to a carrier for a non-factored load, invoice documents are still required to be submitted. OperFi charges a 2% Processing Fee. Broker has option to pass this fee onto carrier.
- o Broker client can request carrier payment to be issued from their reserve if they have an adequate balance. If there is not an adequate balance in the reserve, broker must send OperFi sufficient funds to process payments.

6. Lumper Advances / Processing

- o If Broker has adequate reserve balance, a \$5 processing fee on top of any EFS processing fee.
- o If Broker does not have adequate funds, and OperFi needs to issue an over advance, there is a \$20 fee on top of any EFS processing fees. The broker has the option to pass this fee onto the carrier (recommended)
- o Documentation: Email/MSA or confirmation that your customer is reimbursing lumper fees with adequate receipts.

7. Master Service Agreements (Contact OperFi for our Templates)

- o Must have MSAs with your customers. Provide them with a minimum 1 page MSA defining relationship and scope of work
- o MSA must include billing requirements and net payment terms

8. Purchase Order Recommendation (Contact OperFi for our Templates)

- o Must have a Purchase Order (Rate Confirmation) or at least an email outlining the rate on the projects or loads that we can include with our billing.

9. Brokerages with Trucking Companies:

- o If OperFi has both the Carrier and Broker, no issues. May be eligible for reduced relationship rates if factoring a load on the carrier side with your brokerage.
- o If OperFi has the Brokerage and another Factor has the Carrier, this is a case-by-case scenario:
 - Are we friendly with the other factoring company and receive transparent information?
 - Is the trucking company's name similar to that of the brokerage, thus making the customer/vendor setup process confusing and easy to manipulate?

10. Margin Requirements

- o 90% Advance Rate means your margins must be equal to or greater than 10%
- o Funding Schedules that do not meet 10% margin requirements must be secured by the client through a cash reserve transaction to meet your minimum 10% requirement.
- o Must submit payment to OperFi to make up the difference of the missed margin. **Example Below:**

Shipper Rate	Carrier Rate	90% Advance	Margin Shortfall
\$1000	\$950 (5% Margin)	\$900 (10% Margin Hold)	-\$50 (5% Short)

❖ Broker Client must submit a \$50 payment to your Cash Reserve to meet your Margin Requirement

11. Quick Pays

- o Establish your 2 day quick pay fee on day 1. Only 1 type of QP fee (2 Day). OperFi must make a minimum of 2%.

12. Late/Missed Invoices

- o If broker client received an invoice but never submitted to OperFi and now the AP is 30+ days, but we have to QP to make sure the carrier/factor gets paid in Net 30, then the client is responsible for the 2% QP fee that OperFi needs.