



## Financial Terms for Service Providers to FWF

This memo explains the financial terms for all parties (service providers) contracted to work for Fair Wear Foundation (FWF).

### ***Remuneration***

FWF pays a standard daily fee in € depending on the kind of work to be done (category A, B, C) and the country (Low, Medium, High) where this will take place (see Fee structure below). Fees can only be paid based on agreements made in advance.

The daily fee will be adjusted each January to reflect changes in the cost of living. In case a country shifts to a lower category, service providers who have worked with FWF before will continue to be paid the same fee as they used to.

### ***Travel costs***

Travel expenses (first class train or bus, but for distances over 500 km economy class air travel can be used) incurred during the course of the assignment will be reimbursed by the contracting party based on real costs. In cases that trains cannot be used, a private car can be used based on agreement in advance on the reimbursement of the costs to be made.

*Travel time is paid as follows:*

50% of the hourly fee will be paid for each hour of travel to the assignment. The same applies to the return journey. If the travel time includes a night's sleep on a night train, then up to six hours of such time is not considered to be travel time.

### ***Accommodation***

Hotel costs (two or three star hotels) incurred during the course of the assignment will be reimbursed by the contracting party.

### ***Meals***

When travelling more than 10 km outside the area where the service provider normally works or lives, meals are reimbursed.

### ***Office costs, insurances, taxes and other costs***

Reimbursement for normal office costs is considered part of the fee. In case a service provider has to make many phone calls, do a lot of copying etc. in the course of an assignment she/he can request compensation. This has to be agreed upon on a case-by-case basis before making the actual costs and should be specified in the invoice.

The service provider acts as an independent contractor. The service provider is therefore responsible for making all appropriate employment taxes and other statutory deductions relating to his or her remuneration or payment for the assignment.

It is expected that service providers makes sure that they have the proper insurance for carrying out the assignments. All insurance costs should be paid for by the service providers themselves and these costs will not be reimbursed.



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No other costs than those described above will be reimbursed unless agreed upon beforehand.

### ***Invoice***

The invoices shall be submitted upon the completion of the assignment, unless approval has been granted to bill for more than one assignment with one invoice, but no later than one year after execution of the assignment. FWF provides a model invoice for service providers to use. This invoice can be obtained by email from the FWF office in Amsterdam.

The invoice must indicate:

- time spent on the assignment,
- dates when the assignment took place,
- the activities carried out,
- in case the assignment has a direct relation to a factory or a member company of FWF, for example when an audit is has been done, this information should be included in the invoice,
- All costs for travel, hotel, meals, etc. that should be reimbursed must be clearly indicated in the invoice.

Receipts for all costs that should be reimbursed need to be sent with the invoice. Receipts can either be sent with the invoice by post, or scanned and emailed together with the invoice (scanned documents of receipts should have your name and the date of the assignment). Make sure that the total amount that should be reimbursed clearly matches the receipts that you send.

Make sure that it is clear in the invoice to which receipt a particular cost relates to. This can be done by marking each receipt with characters (A,B,C) and mentioning the same character on the invoice. Since FWF will make the financial transfer in Euros please also fill in the exchange rate used when calculating costs to be reimbursed as well as the source of the exchange rate and the date of the exchange rate.

### ***Payment and bank details***

Payments are made in Euros through bank transfer. Therefore, service providers *must* include the following bank account information on their invoices:

- Bank account number
- The currency in which funds are held in the account
- Name and address of the bank account holder as it appears on account statements
- Name and address of the bank branch where the account is located
- *Important:* the bank's SWIFT<sup>1</sup> and IBAN code

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<sup>1</sup> The SWIFT code (also known as SWIFT-BIC, BIC code, SWIFT ID) is made up of 8 to 11 characters



**Fee structure**

FWF works with a differentiated structure to reflect the type of job to be done and relative costs of living in the different countries.

*Relative costs of living based on UN and FLO rates*

High	Middle	Low
Hong Kong	Bulgaria	Bangladesh
All 25 EU-countries	China	India
US	Macedonia	Indonesia
Turkey	Romania	Laos
	Thailand	Pakistan
	Tunisia	Sri Lanka
	Ukraine	Vietnam

*Categories of job divided according to service provided*

A	B	C
Audit team supervisor	Audit team member	Translator
Trainer	Contributor country study	Booking of hotels, travel, lunches, etc.
Simultaneous interpretation	Interpreter	
Complaint handler		
Resource person in training		
Country study coordination		

Fee per day as per 1 <sup>st</sup> of January 2012			
	Job A	B	C
High	157,95	136,20	119,85
Middle	136,20	119,85	108,95
Low	119,85	108,95	98,05

**Translation work:** # words / 2000 x day fee C

**Variable fee per hour for specific assignments:** L: € 15,00 M: €17,00 H: € 19,75

**Contact person & complaint handlers:**

Set fee per year (equivalent of 2 x the daily fee): L: € 239,65 M: € 272,35 H: € 315,90

**Audits in China:**

To meet the demand for audits in China among member companies FWF has trained auditors of audit agency Compliance & Capacity to carry out audits according to the methodology in the audit manual of FWF. Member companies can make use of a team which consists of 2 auditors of Compliance & Capacity and an independent worker interviewer. For a single audit the 2 auditors of Compliance & Capacity will in total spend 5 man days at a rate of \$ 275 / man day. The time span of 5 days includes preparation of the audit and development of the audit report. The worker interviewer will spend 4,5 man days at the standard fee per day (see above).