



3.002 - Virtual Credits Policy

Policy Purpose and Scope

The purpose of this policy is to outline the process by which account credits (Virtual Credits) will be issued within the billing system.

Roles and Responsibilities

The Billing Manager and Controller will be responsible for maintaining and updating this policy to ensure all information is accurate and that procedures are performed according to this policy..

Operational Procedures

PhotoBiz account credits can be applied towards the purchase of a product or the monthly membership fee. If the PhotoBiz account credit is not immediately applied toward the purchase of a product, the billing system will automatically apply the credit towards the monthly membership fee according to the client's next billing date.

PhotoBiz account credits can be issued by the Billing Manager or Billing Specialist. However, approval from the Billing Manager must be obtained prior to issuing any PhotoBiz account credits. Virtual credit requests over \$150 must be approved by the Controller and requests that are \$300 or more must be approved by Lauren Ascencios.

PhotoBiz account credits (Virtual Credits) are issued to active PhotoBiz members only.

PhotoBiz account credits can be issued as part of the following:

- Promotional campaigns (**Promotional, Event**)
- Normal business activities (**Complimentary, Sponsored, Refund, Network, Swap**), or
- Referral bonus program (**Referral**).

A description of each type of PhotoBiz account credit is indicated below:

- **Promotional**—This credit will be issued when a customer inadvertently omits a promotional code during the purchase of a product. Team Lead approval as well as the Billing Manager is required.
- **Complimentary** – This credit is issued to customers when they are displeased with service they have received or a product they have purchased. Complimentary virtual credit is also used to add products or credit for service for exceptional requests that are not part of the regular course of business and may require review and approval by Executive Staff. Approval is required by a Team Lead as well as the Billing Manager to issue the credit. Complimentary virtual credit must be fully documented in the ticket system and on the Team Lead Budget spreadsheet.
- **Swap** – This credit is used to allow clients within the 14-Day Money Back Guarantee period to swap a product for another product. If the new product is more or less than the original product, a credit or charge is processed accordingly. Team Lead approval is required.
- **Sponsored** – This credit is issued for PhotoBiz clients who have the membership type Elite, VIP, Sponsored, Charity, Prize, Education or. Executive Staff and the Marketing Social Media manager's approval is required along with the proper request forms.



3.002 - Virtual Credits Policy

- **Network** – The credit is used for internal PhotoBiz accounts used for development testing, employee demo accounts and sample accounts used for template and product demonstrations on the corporate website. Executive Staff approval is required.
- **Referral** – This credit is issued for clients who have participated in PhotoBiz's Referral Program and meet the Referral Reward criteria. (See Policy 3.005 for more details regarding the Referral Program.) The Billing Manager review and approval is required.
- **Event** – This virtual credit category is used for trade shows, special campaigns, events or promotions. This credit can also be used in addition to Loyalty Discounts.

When recording PhotoBiz account credits in the general ledger system, the accounts used will depend upon whether the credit type affects revenues or expenses. Listed below are the general ledger accounts which are used for each type of PhotoBiz account credit.

Credits Affecting Revenue

PhotoBiz Account Credit Type	G/L Account (Credit)	G/L Account (Debit)
Network	41955	41956
Promotional	41960	41961
Swap	41930	41931

Credits Affecting Expenses

PhotoBiz Account Credit Type	G/L Account (Debit)	G/L Account (Credit)
Complimentary	61715	20010
Referral	61720	20010
Sponsored	61725	20010
Event	61745	20010

PhotoBiz virtual credits are non-refundable. If there is unused PhotoBiz credit on a client's account and the account is cancelled or the account becomes inactive for any reason, the unused portion of the PhotoBiz account credit is forfeited and removed from the account. This standard applies regardless of the type of PhotoBiz account credit remaining on the account.

Daily, the Virtual Credit Reports are printed and recorded as journal entries. Monthly, these reports and the outstanding Virtual Credit balance is reconciled.

Each month all Virtual Credits issued are reviewed and documented in the Billing and Membership Services Report. Complimentary Virtual Credits are reconciled with the Team Lead Budget spreadsheet and is submitted each month for review.