

Important Procedural Information for Freight Brokers

1. For each factored invoice, Freight Brokers must enter its carrier's Carrier Profile in Freight Payables System (FPS).
2. Freight Brokers must list all factored invoices on schedules entered in FPS.
3. If Freight Broker is also a carrier, invoices must be separately listed on two schedules: one listing the invoices relating to loads hauled on its own equipment under its carrier authority (or loads hauled by owner operators using that authority), to be entered in the Client Web; and another listing invoices relating to loads hauled by other carriers (brokered freight) to be entered in FPS.
4. Freight Brokers must not factor any invoices relating to loads obtained from carriers or other freight brokers—only invoices relating to freight obtained directly from shippers or large 3PLs are eligible for factoring (subject to credit approval).
5. Unless otherwise approved by ICC in writing, Freight Brokers must supply ICC with an invoice and an **ORIGINAL** bill of lading, signed by the consignee, as well as a copy of the carrier's invoice and the signed load confirmation sheet. Electronically billed freight shall be subject to review for exception to this policy.
6. ICC may require copies of contracts between Freight Broker and its carriers and/or contracts between Freight Broker and its shipper/consignor.
7. Freight Broker must agree that, with respect to factored invoices, carrier is to be paid from the advance first, with remaining balance of the advance (and the eventual reserve) payable to Freight Broker.
8. Freight Broker must not factor any invoices relating to loads that were not carried by the carrier listed in FPS. If Freight Broker is aware that the carrier to whom it consigned freight further consigned the freight to another carrier or otherwise "double-brokered" the freight, Freight Broker must not factor the relative invoice.
9. It is the Freight Broker's responsibility to ensure, prior to submitting paperwork to ICC, the bill of lading legibly states in the appropriate space provided, the name of the ***actual*** carrier that hauled the freight. Freight Broker's name may not appear as "carrier".
10. Prior to the first funding, ICC may require an accounts receivable listing and a corresponding accounts payable register to ensure that all invoices on which the Freight Broker has already received payment have the corresponding payments to the respective carriers recorded on its books. ICC may not purchase (factor) any invoices that were mailed to the account debtor by the Freight Broker or its former factoring company unless the Freight Broker provides ICC with the corresponding carriers' invoices and load confirmations AND: 1) ICC disburses payment directly to the unpaid carriers; or 2) the Freight Broker provides evidence that it or its former factoring company paid the corresponding carriers. In cases when the Freight Broker is moving from another factoring company to ICC, ICC cannot buy out the old factor without evidence showing the carriers were paid when the corresponding Freight Brokers' invoices were factored.

Client Initials_____