

WHAT BUSINESS OWNERS NEED TO KNOW ABOUT "TERMS AND CONDITIONS"

If you are a business owner, at some point in your business you probably have a form contract that you use for sales or services. The first page of your contract probably has all the important information on it, the: who, what, where, and when. Stapled to the back of that first page are probably 2-5 pages of the generically named 'Terms and Conditions.' The only thing that most business owners know about the terms and conditions is that they have to be there. However, most business owners do not know exactly why they need to be there or what they need to say.

Terms and conditions are not hard to obtain. Search the internet and you can find a plethora of free boiler plate terms and conditions that you can download and staple right to the back of your contract. Many business owners trying to save on costs follow this approach rather than having an attorney draft a contract for them, and none of them know just how costly that decision ends up becoming. This is because most people who put their own contracts together don't know exactly what they are putting in there.

Some provisions are easy. But do you know what force majeure means? Do the boilerplate terms and conditions have a warranty stuck in the middle somewhere that you are not planning to give? Did the provisions you downloaded make the exclusive law and venue California for disputes when your business is located in Chicago? Does your contract let you collect attorney fees if you need to sue your customer for payment or will you have to pay those fees without reimbursement?

The main issue is that boilerplate items need to be tailored to your business needs. Unless they are prepared by a professional who knows your business, your contract could end up becoming a legal and financial nightmare.

Take a few minutes to review your own sales or services contract. If you are not 100% sure about what every provision means for your business, contact an attorney to discuss what liability your current contract exposes you to and how it can be better tailored to fit your business.