



HOUSING RECOVERY PROJECT FINANCIAL ARRANGEMENTS CONTRACTORS' WORKSHOP

Presented by

Jennifer Julien-Laudat

Financial Specialist

Housing Recovery Project - Project Implementation Unit (HRP-PIU)

SOME OBLIGATIONS

Contractors must:

1. Enter into a contract with the Respective Beneficiary;
2. Provide Beneficiary with receipt when Payments are received.



PAYMENTS

- ▶ There will be **Five Payments** By the Home-Owner - To the Contractor/Builder and Only when the HRP-PIU informs the Home-Owner to do so:
 - ▶ **Payment 1** - After the signing of the agreement with Contractor;
 - ▶ **Payment 2** - When the Foundation is completed;
 - ▶ **Payment 3** - When the Walls have been completed;
 - ▶ **Payment 4** - When the Roof and Finishing's have been completed;
 - ▶ **Payment 5** - End of Defect Liability Period (3 Months after House Completion)

PAYMENT PROCESSES

- ▶ There will be **THREE (3)** payment processes:
 - ▶ **Payment Process A** - For Payment 1;
 - ▶ **Payment Process B** - For Payment 2, Payment 3, & Payment 4;
 - ▶ **Payment Process C** - For Payment 5.

UNDERSTANDING THE PAYMENT PROCESS A (FOR PAYMENT 1- After Signing Of Agreement)



Contractor/Builder
signs agreement with
Beneficiary; submits
Bank Guarantee Letter;
etc.



The Financial Specialist at
HRP-PIU ensures that
everything is in order and
prepares the payment request



HRP-PIU send the request to
the NBD to transfer the amount
to the Beneficiary's Account;

UNDERSTANDING THE PAYMENTS PROCESS (Continues) (FOR ALL PAYMENTS)



NBD Informs HRP-PIU when the money is in the Account;



HRP-PIU informs the Beneficiary that the funds are in the Account;



Beneficiary writes cheque to Contractor/Builder;



Contractor/Builder writes receipt to Beneficiary;



Contractor/Builder goes to NBD and cashes the cheque;

UNDERSTANDING THE PAYMENT PROCESS B

(FOR PAYMENT 2 - Completion of Foundation)
(FOR PAYMENT 3 - Completion of Walls)
(FOR PAYMENT 4 - Completion of Roof & Finishing)



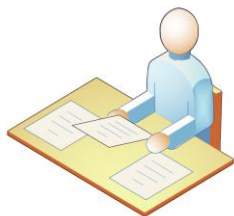
Submission of Invoice by **Contractor/Builder** to Design & Supervision Firm (D&S);



Approval and Certification by D&S Firm of the Invoice submitted by **Contractor/Builder** for works done. Approved Invoice and Payment Certificate noted by **Beneficiary**;



D&S Sends Approved Invoice & Payment Certificate (and Certificate of Completion for PMT 4) to the HRP - PIU;



Review of Invoice and Certificate by **Financial Specialist** at HRP-PIU;



HRP-PIU Request that the NBD transfer the approved amount to the Beneficiary's Account;

UNDERSTANDING THE PAYMENT PROCESS C (FOR PAYMENT 5 - Retention)



D&S Sends Payment Certificate to the HRP - PIU after the House inspection



Financial Specialist HRP-PIU ensures that all documents are in order



Financial Specialist HRP-PIU informs the Bank to transfer the funds for payment

FINANCIAL DOCUMENTS



CHEQUE PAYMENT BY BENEFICIARY

Jennifer Julien-Laudat
HRP-PIU
40 Old Street, Roseau
1 (767) 616-9766

1936

28 / 08 / 2020
DATE

PAY TO THE ORDER OF **Timothy Esprit** | \$ **10,500.00**

Ten Thousand, Five Hundred Dollars ONLY DOLLARS  Security Features Details on back

FOR **Payment 3 - Walls Completed** **J.J. Laudat**

⑆000000186⑆ 000000529⑆ 1000



RECEIPT TO BENEFICIARY

RECEIPT

No. 3

Date: 28 / 08 / 2020

Received From: Jennifer Julien-Laudat \$ 10,500.00

Ten Thousand, Five Hundred Dollars ONLY DOLLARS

FOR: Payment 3 - Walls Completed

NAME: Timothy Esprit

SIGNATURE: T.E.

FINANCIAL MANAGEMENT RECORD KEEPING POINTS

RECORD KEEPING BY CONTRACTORS

- ▶ Record all monies received and payments made;
- ▶ Keep copies of all Receipts;
- ▶ Keep all Invoices/Bills;
- ▶ Prepare Annual Reports - Financial Statements (Assessment of your Financial Position);
- ▶ Have a Separate Bank Account for Business, Different from Personal Bank Account;
- ▶ Ensure all business requirements are met (IRD, DSS, etc.)

HOUSE COMPLETED AND HANDED OVER TO HOMEOWNER



THANK YOU

