



## **BISHTA STAKEHOLDER ACCOUNT**

### **1. Introduction**

The BISHTA Stakeholder Account offers members an opportunity to use BISHTA as a third party to deposit funds from their customer, or to pay a supplier to ensure payments are eventually made (either to the Member, or to the Member's supplier).

So long as BISHTA is assured that the money being deposited is legal and is being deposited with clearly identified parameters for when and why payments can be made (in writing, in advance) then this is anticipated to be another valuable membership benefit and it is currently a free service!

The Stakeholder account can also work well if there is a disagreement between a member and their client, as through discussion, payments are safeguarded and work is agreed to be done, with BISHTA releasing payment at an appropriate time.

### **2. Heads of Agreement**

A "Heads of Agreement" needs to be completed and signed, along with the details (usually recorded on Annex A). The Heads of Agreement and Annex A provide an outline of what is to be done and provides direction on when any payments are to be made.

This Heads of Agreement will be referred to as a trust fund. In order to be properly constituted as a trust fund, there must be money in the account and the monies held will be in a fiduciary capacity.

#### **The beginning**

Firstly, the two parties must agree what work is to be completed before the money is paid by BISHTA to the Member, or any other relevant party. There must also be agreement as to who confirms the work has been done to the required standard. Where BISHTA is involved in the inspection process, then agreement must be reached on who funds any payments to BISHTA and this must be done BEFORE the agreement is signed. This payment should also be deposited in the Stakeholder Account before work begins. Any inspection fee amount should be finalised in the work schedule, with agreement about the split of the fee along the lines of e.g., split 50/50 if the two parties can't agree, but if one party is happy and the other is not, then the unhappy party should pay the fee.

Please note that any reasonable additional charges incurred by BISHTA in the handling of the Stakeholder Account will need to be reimbursed. The Stakeholder Account can be used for overseas suppliers and where there are any additional costs, such as bank charges for transferring monies, or exchange rate fluctuations, these must be paid for by the BISHTA member, unless otherwise agreed with any other party.

Secondly, the amount of money to be deposited and the timescale must be agreed, with an agreement that there will be no unnecessary obstructions put in the way of the process by either party. Please note that once the money is in the Stakeholder Account, any interest will be payable to BISHTA for administering the account.

Thirdly, the length of time the work to be undertaken will take; it follows that if the original contract did not include a cost for liquidated damages, delay in completion will simply mean delay in payment.

Fourthly, the start date should be agreed, including a period for the money to be transferred to the Stakeholder Account so that there are cleared funds. BISHTA will notify both parties of the receipt of the money and the clearance as soon as they occur, by e-mail or fax.

### **The Middle**

The agreed works timetable will commence as soon as the money is reported as having been cleared into the account or as soon as possible afterwards. It also follows that delay in payment and clearance will delay the start date which may also affect the Member's ability to start on the date agreed. The contract period should remain the same once started.

### **The End**

Once the work has been completed, or the goods have been received, the method by which it is to be judged complete will be put into action. It can either be by mutual agreement on the assumption that all goes according to the Agreement, or it can be by BISHTA inspection and consequent adjudication, in which case a fee will be payable to the Inspector. In this latter case, the Inspector may decide that the work has not been either fully completed or is not satisfactory and in this case he may need to award an interim payment, or no payment at all.

After the inspection is carried out, the BISHTA inspector should be able to order a fairer split of the fee, for example if the Member has done everything correctly and has also paid for the surveyor in order to try and get the money from the Stakeholder Account, then the BISHTA inspector should be able to instruct the other party to reimburse the fee paid. If on the other hand, the client had paid the fee and the BISHTA Member had not worked to the correct standard, and the client had paid the fee for inspection, then the BISHTA Member would not only have to complete the work correctly, but would also have to pay the surveyors fee.

### **3. Other Information**

Where a BISHTA Member fails to complete the works due to liquidation, then the relevant monies outstanding will either be returned to the client, or will be held by BISHTA for another member to complete the works.

**BISHTA Stakeholder Account (SSA) -- Heads of Agreement**

This agreement is between:

The Client:

And

The BISHTA Member:

The Client and the BISHTA Member agree that the work to be carried out under this agreement is scheduled at Annex A to this agreement.

The Client and the BISHTA Member agree that the amount in question (including any VAT if applicable) to be paid into the SSA is the sum of:

The Client and the BISHTA Member agree that the inspection fee (including any VAT if applicable) to be paid into the SSA is the sum of:

The Member states the length of time from being informed that cleared funds have been deposited to commencing work or supplying goods/services as a figure below in working days is

The work or supply of goods/services will be completed within a further ..... working days, or the work will be completed by..... (completion date).

The Client agrees that the timescale for the money to be received by the BISHTA office into the SSA is:

The Member agrees that he will be on site on the above date, or as soon as possible afterwards, if the money has not been cleared by that date.

Once the work has been completed the following written acceptance will trigger the release of the monies from the SSA:

Mutual consent

Or BISHTA Inspection (if both parties agree to an inspection fee)

Other, as defined below

Signed \_\_\_\_\_ (Client or Supplier) \_\_\_\_\_

Signed \_\_\_\_\_ (BISHTA Member) \_\_\_\_\_

Signed \_\_\_\_\_ (BISHTA) \_\_\_\_\_

Dated \_\_\_\_\_



**BISHTA Stakeholder Account Annex A**

BISHTA Member

Name of Client

The works that are to be completed are listed below, including values, where relevant:

Item(s)	Value	Agreed action	Timescale	Date Approved	Amount Authorised	Action By Whom?

The final account is £TBC and is to be paid into the BISHTA Stakeholder account (details below).

BISHTA Ltd – Stakeholder (Clients Call Account): Sort code: 309021 and Account number: 32431868  
 Lloyds Bank, 22 High Street, Andover, Hampshire SP10 1NW,

Is an inspection required to release any monies?

If yes, has agreement be reached on the fee (if yes, insert amount) £.....

Insert the % split (customer to pay      % and the BISHTA member to pay      %

Client Signature \_\_\_\_\_ BISHTA Member Signature \_\_\_\_\_

BISHTA Signature \_\_\_\_\_

Date \_\_\_\_\_ Log in number on the system \_\_\_\_\_

BSA logged on system by: \_\_\_\_\_