



Dixieline
Builders Fund Control

FUND CONTROL INSTRUCTIONS AND PROCEDURES

PURPOSE

The major purpose of the Fund Control is to provide documented, orderly disbursement of construction funds. The Fund Control Agreement, Cost Breakdown and the Voucher are the basic documents to be used.

The concept of our Fund Control Service is to pay construction costs using vouchers in the same manner as checks.

THE FUND CONTROL AGREEMENT

To set up a Fund Control, we utilize a worksheet to assemble the name and address of owner, contractor, lender and full job information. The Fund Control Agreement must be typed by Fund Control personnel.

Your Fund Control Fee is based on the actual dollar amount to be disbursed by the Fund Control.

The deposit schedule is determined by the lender and is detailed in the Lender's Building Loan Agreement with the borrower. If the owner is depositing the funds, the building contract signed with the contractor should specify the deposit schedule.

The typed Fund Control Agreement is signed by the owner(s), the contractor, and any additional parties that are authorized to sign vouchers. It is returned to Control for any needed corrections and final signature. All parties and the lender receive copies for their records.

Vouchers requiring two (2) signatures for authorizations are available if desired.

THE COST BREAKDOWN

An itemized and numbered cost breakdown is submitted when signed agreements are returned. Any cost breakdown format can be used provided the item numbers do not exceed five digits. The total dollars must equal the total dollar amount of the Fund Control Agreement and should be identical to the breakdown approved by the lender. Any changes to the original breakdown need to be approved by the lender and contractor.

FUNCTIONS DURING THE PROJECT

Once established by the signed agreement being returned to the Control Office, a Cost Breakdown provided and a Control identification number assigned, the project information is entered into our computer system.

A-THE REQUEST BASIS

To activate funding, a Fund Request is delivered in written form using fax, mail, email, or personal delivery. Use our supplied form or a form providing the item number as shown on the Cost Breakdown to identify the type of cost to be paid, name of the payee and the dollar amount. Please include your Control number, your name and a phone number where you may be reached should questions arise. The General Contractor or the person responsible for paying the construction costs usually does these requests.

Small dollar requests (less than a \$1,000.00) should be accumulated to make up two (2) major requests each month.

When the Fund Request is received, the Control processes the information resulting in a formal printout being sent to the funding source and the General Contractor.

The General Contractor or owner builder copies also include individual prepared vouchers for each payee shown on the request. These are to be checked for accuracy as regards payee, amount to pay and signed by those authorized on the Fund Control Agreement. These completed vouchers are given to the respective payees for their endorsement, attachment of invoices, material releases and any other documentation to support payment of the specified amount. The issuer of the prepared vouchers should remove the perforated stub for reference of the payment. It will also be needed for the audit at the completion of the job.



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A-THE REQUEST BASIS – Continued.

Most lenders fund these requests within five (5) working days of receipt of the computer printout unless conditions prevent promptness. Vouchers can be released to the payees as desired after the Fund Request is submitted.

B-THE DRAW BASIS

This is an alternate funding arrangement especially suited to smaller projects. Once the Fund Control Agreements have been signed, a Cost Breakdown provided, the Control may be activated by making the initial fund deposit. The frequency and amounts of each deposit are determined by the job progress and the funding source. Those to be paid are not known to the Control in advance eliminating the use of prepared vouchers. Books of vouchers are provided to be completed and issued by authorized signatories as the job progress dictates.

VOUCHER PREPARATION

It is important and necessary for prompt payment that blank vouchers be fully completed. Cost Breakdown item numbers, date written, proper payee name and address, word and numerical amounts to be paid must be shown.

Payments for only labor-when the payee furnished NO material to the job-should be indicated as "LABOR ONLY" on the line identified as "FOR".

Payments charging more than one (1) item on the Cost Breakdown are separately identified with each dollar allocation shown.

Reimbursement vouchers will be paid when properly completed and documented with proof of payment, copies of the paid invoices or cash receipts, and releases for material totaling the amount requested. All vouchers need to be signed by authorized signatures as indicated in paragraph 2 of the Fund Control Agreement.

PAYMENTS

Vouchers are paid 8AM-5PM, Monday through Friday; Holidays excepted and may be presented for payment by mail, sending to our San Diego Fund Control Office or personal presentation. Only original vouchers can be accepted. We suggest a phone inquiry to determine availability of funds for payment before presenting vouchers in person.

DEPOSITS

Deposits are received any time but the daily cut-off is 2 P.M. Later deposits are available for funding the following business day.

All deposits from owner funds should be by bank transfer. Personal checks may encounter conditions requiring withholding payments as long as ten (10) working days.

CLOSING THE FUND CONTROL

When all the funds have been received into the Control and vouchers issued to pay all the final project costs, the General Contractor or owner builder should initiate closing. Should the final funds total other than the amount shown on the Agreement, an amendment will be issued for lender, contractor and owner signatures. After notification, a ledger will be forwarded with an Indemnity Agreement to the Contractor or owner builder. Verify the vouchers issued against the ledger and note those unpaid on the Indemnity Agreement.

Owner funded projects require a signed Certificate of Completion as supplied by the Fund Control.

A final voucher or vouchers are issued for the remaining funds and sent to Control with the Indemnity Agreement. The final ledger, closing statement and check will be forwarded.

ADDITIONAL SERVICES

The capability of our computerized Fund Control enables us to offer our customers printed progress reports. These may be requested anytime after construction has begun. The most popular ones are Cost Breakdown, Fund Ledger/History and Progress Fund Requests.