

PBA PROCESS FOR CENTRAL GOVERNMENT PROJECTS

Project Bank Accounts Process – Step by Step Guide (Form CG0)

Request to Open a Project Bank Account (Form CG1)

Project Bank Account - Trust Deed (Form CG2)

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Revision History

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Minor changes to reflect that the document is no longer part of PGN 03/14 and is part of the Construction Toolkit	27 November 2023

Project Bank Accounts Process – Step by Step Guide (Form CG0)

Item	Normal Procedure	Notes
	Initiation	
1	ITT to contain this Step by Step Guide of the PBA process (or a link to it) and have the template forms attached (or linked) for information.	
2	<p>Before contract award, the PM has the forms below completed and signed by the Employer:</p> <ul style="list-style-type: none"> • Request To Open PBA (to be signed by Employer [Grade 5/Director]); • Trust Deed (to be signed by the Employer [Grade 5/Director]); and • Bank Mandate (Employer’s page): to be signed by persons authorised to release payments to the Contractor. This should include PM, Architect/Engineer and QS, as well as Client Advisor and Project Sponsor (or at least one official from Employer dealing with project). 	<p>The representative of the Employer signing the Request To Open PBA and Trust Deed forms must be a member of the Senior Civil Service or an equivalent grade.</p> <p>Bank Mandate to include the email address to receive automatic notification of transactions into and out of PBA.</p>
3	<p>Before awarding the contract, the PM/CoPE PBA Contact shall contact the PBA Bank and advise them of the requirement for a PBA in the contract, the timeline for awarding the contract, expected date of the initial meeting with the Contractor and the expected date of the initial payment.</p> <p>Following award of contract, the PM/CoPE PBA Contact shall confirm the Contractor's name to the PBA Bank.</p>	

Item	Normal Procedure	Notes
4	<p>Immediately following contract award the PM/CoPE PBA Contact shall organise a meeting to be attended by the Contractor's Director. The PM/CoPE PBA Contact shall advise the Contractor's Director of the PBA process and their requirement to provide personal details directly to the PBA Bank to facilitate opening of the PBA,</p> <p>The PM/CoPE PBA Contact shall advise the Director to sign the following forms and to take all relevant documentation in person to the respective PBA Bank:</p> <ul style="list-style-type: none"> • Request To Open PBA: to be signed by Director and accompanied by a photocopy of the Director's passport or driving licence and proof of home address (for example, utility bills); • Trust Deed: to be signed by Director/Company Secretary; and • Bank Mandate (Contractor's page): to be signed by Contractor's staff authorised to make payments to Named Suppliers. <p>The Trust Deed and the Bank Mandate (Contractor's Page) may be brought to the meeting already completed and signed so that only the Contractor's Director has to attend the meeting.</p> <p>Verification of the Contractor Director's personal information (passport, driving licence, utility bills etc) will be undertaken by the PBA Bank when they are presented in person. The PM is not required to verify or process such personal data.</p> <p>The PBA Bank will notify the PM/CoPE PBA Contact when the Contractor's Director has successfully submitted all relevant information for opening the PBA.</p>	<p>If the Request To Open PBA or Trust Deed is executed by the signature of one director of a limited company, or by one partner of a partnership, evidence must be provided to the PBA Bank that the Director/Partner is authorised to sign on behalf of the company/partnership.</p> <p>Trust Deed includes Contractor's own bank account details (name, number and sort code).</p> <p>The Request To Open PBA when completed by the Contractor contains personal information. However this information should not be viewed or processed by the PM/CoPE PBA Contact</p>
5	<p>When the PM/CoPE PBA Contact receives confirmation from the PBA Bank that it has received all the relevant data, the PM/CoPE PBA Contact emails Government Accounts Branch (GAB) contact to ask for permission to open a bank account and provides:</p> <ul style="list-style-type: none"> • Name of Employer, Contractor and project title; and • Confirmation that all required documentation has been prepared in accordance with this guidance and approval to open PBA has been given by Employer. 	<p>The email address for Government Accounts Branch (GAB) is: governmentaccounts@finance-ni.gov.uk</p>
6	<p>Upon receipt of consent from GAB, the CoPE PBA Contact forwards the Request To Open PBA, copies of identity documents, Trust Deed and Bank Mandate to the PBA Bank and is notified of PBA details (Bank Account Name, Number and Sort Code) by the PBA Bank.</p>	<p>Each CoPE PBA Contact is to agree arrangements with the PBA Bank for the secure delivery of documents to the PBA Bank.</p>

Item	Normal Procedure	Notes
7	CoPE PBA Contact, through Business Banking Login facility, sets up email and text alerts for the PM and the Contractor and informs the PM of the PBA details.	
8	PM advises all parties of PBA details.	PM sets up an AccountNI supplier profile for project with PBA bank details if required.
During Construction		
9	Named Suppliers (who will be paid through the PBA and that have not signed the Trust Deed) sign a Joining Deed when appointed. This is countersigned by the Contractor and the Employer, witnessed by the PM and forwarded to the PBA Bank by the Contractor .	Joining Deed to include the Named Supplier's bank account details (name, number and sort code).
10	Contractor's QS provides to, and explains to, the PM (or the PM's QS) the amount due to the Contractor and the amounts due to the Named Suppliers. If any withholding is required from the Named Supplier(s), the Contractor's QS explains why (that is, provides reasons) to the PM.	The value of a work package (NEC option A or B) will be known by the PM as will the subcontract work package value. However, there may be reasons why the Named Supplier is paid less (or more) than its subcontract work package value e.g. delay caused, CIS withholding tax requirements, acceleration requested, VAT amounts.
11	The PM confirms the payments to be made from the PBA to the Contractor and the Named Supplier(s) that month. The PM certifies payment and sends a copy of his certificate to the Contractor.	
12	On receipt of the PM's payment certificate, the Contractor completes the Authorisation in accordance with payments confirmed with the PM.	Note: Authorisation is for actual payment amount including VAT, CIS and any other adjustments so will generally be different to the value on the PM's certificate.
13	The Contractor provides its invoice, and a copy of the Authorisation signed by its representatives, to the PM.	The Contractor's invoice is to include VAT payable on total certificate value including payments to subcontractors.
14	The PM sends a copy of the certificate and invoice to the Employer for payment.	

Item	Normal Procedure	Notes
15	The PM sends a copy of Authorisation , signed by both the PM and the Contractor's representative to the PBA Bank. This is to enable funds to be appropriately distributed when placed in the PBA.	If the PM is unavailable to sign the Authorisation another Employer representative signs the form.
16	The Employer processes payment (through AccountNI if required) to transfer sum certified into the PBA within payment period specified in the contract.	
17	The PBA Bank generates an automatic text/email to both the PM and the Contractor to inform them of lodgement of funds into the PBA by the Employer.	Emails will be sent to the email addresses/mobile numbers included in the Bank Mandate .
18	<p>Upon clearing of funds in the PBA, the PBA Bank will contact the Contractor by phone to confirm its approval to make payments listed on the Authorisation.</p> <p>Once confirmation is received from the Contractor, payments are made from the PBA to the Contractor and Named Supplier accounts for the amounts listed in the Authorisation.</p> <p>The PBA Bank generates automatic email/text message to the PM and the Contractor to inform them of payments of funds out of the PBA.</p>	<p>Bank will contact the Contractor on the phone number provided in the Bank Mandate or as otherwise advised directly to Bank by Contractor.</p> <p>Employer funds will normally take 3 days to clear before the transfer can complete.</p>
19	The PM checks payments have been made correctly.	By reference to email received.

Abbreviations:

PBA	Project Bank Account
PM	Project Manager (as defined within the NEC3 contract)
QS	Quantity Surveyor
CoPE	Centre of Procurement Expertise
PS	Project Sponsor (a representative of the Employer)
PA	Payment Authorisation
PBA Bank	The bank providing the PBA account.
ITT	Invitation To Tender
GAB	Government Accounts Branch

List of Template documents:

- Project Bank Accounts Process – Step by Step Guide (Form CG0)
- Request to Open a Project Bank Account (Form CG1)
- Project Bank Account - Trust Deed (Form CG2)

Project Bank Account - Bank Mandate (Form CG3)

Project Bank Account - Joining Deed (Form CG4)

Project Bank Account - Authorisation (Form CG5)

CoPEs Signatories (Form CG6)

UK General Data Protection Regulation (UK GDPR) Requirements

The **Request to Open PBA** form will be accompanied by personal information when completed by the Contractor and falls within the scope of the UK General Data Protection Regulations.

The Project Manager/CoPE PBA Contact should ensure that they are not required to store or process personal information relating to the Main Contractor or Named Suppliers, as part of the Step by Step process.

The responsibility for storage and processing of such information, will remain with the Main Contractor and the PBA Bank.

Further information on UK GDPR may be obtained from the Information Commissioner's Office at the following web link:

<https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/>

Request to Open a Project Bank Account (Form CG1)

The Contractor's information attached to this form contains personal information which must be stored and processed in accordance with data protection legislation..

Account Type

The Project Bank Account (PBA) shall have trust status. The trustees will be the *Employer*¹, the *Contractor*² and the Named Suppliers as set out in the **Trust Deed** and, where required, the **Joining Deed(s)**. Copies of these documents will be provided to the Bank providing the Project Bank Account (PBA Bank).

The PBA shall:

- be subject to the PBA Bank's terms and conditions as attached at Annex 1;
- have no overdraft facility;
- have no cheque facility;
- accept authorisation of payment from the account only where it bears a signature of an authorised representative of the Employer and a signature of an authorised representative of the Contractor; and
- allow payments from the account only to trustees who have executed the trust deed or a joining deed.

Essential requirements for opening the Project Bank Account

The PBA will be opened through the NICS Banking Services Contract with its current provider Danske Bank. The following requirements must be met to enable Danske Bank to open the trust account:

- The Danske Bank Business Customer Agreement attached must be:
 - signed by a member of the Senior Civil Service, or equivalent grade in the relevant public body, on behalf of the Government; and
 - signed by a director of a limited company, or a partner of a partnership, authorised to do so or an individual sole trader on behalf of the Contractor.
- The person signing the Danske Bank form on behalf of the Contractor must:
 - provide their Passport or Diving Licence so that a clear photocopy of the passport identity page or Driving Licence photographic counterpart can be taken; and
 - provide proof of their home address by providing, for example, a recent utility bill or official correspondence.

Account Name

The account name shall be: _____

Signature of CoPE Authorised Signatory

Name: _____ Signature: _____

¹ The Employer is also known as the Client or the Contracting Authority.

² The Contractor is the Main Contractor.

Business Customer Agreement

Business/Company name and address	
NICS PROJECT BANK ACCOUNTS C/O DANSKE BANK DONEGALL SQUARE WEST BELFAST BT1 6JS	Danske Bank Business & Corporate PO Box 183 Belfast BT1 6JS Phone: 028 9004 8614 Fax: 028 90049701 SWIFT-BIC DABAGB2B Website: www.danskebank.co.uk
Customer Number	

I/we wish to have the following Danske Bank business account(s):

Danske Large Business Account - Re Project Trust

In the details indicated below the sort code (6 digits) and account number (8 digits) will be presented in one line with a 'blank' space between the sort code and the account number.

Danske Large Business Account

I/We would like to have a Danske Large Business Account
The account number reserved for this account is _____ (the Business Account)
The Business Account will be based in Corporate Banking Branch.
Address and contact details:
P.O. Box 183
Donegall Square West
Belfast BT1 6JS
Telephone number: 028 9004 8614
I/We instruct the Bank to proceed to open/continue the Business Account. I/We acknowledge that, if this is a new current account, I/we cannot operate this account until I/we have received a Letter of Confirmation* that it has been opened. This will be sent to me/us separately.
I/We confirm that I/we have received the Special Terms and Conditions for the Danske Large Business Account and agree to be bound by same.
* A Confirmation is a letter, from the Bank, in writing confirming that my/our application to open a Danske Large Business Account has been successful and the Main Business Account has been opened.

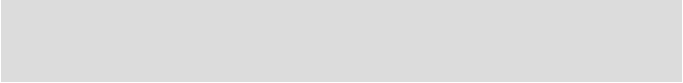
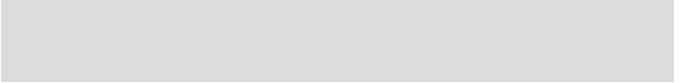
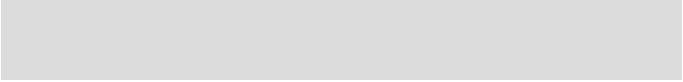
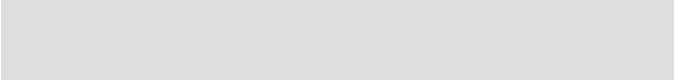


REQUEST TO OPEN A PROJECT BANK ACCOUNT (FORM CG1)

My/Our responses to the Regulatory Questions the Bank asked me/us concerning the Business Account

When the Bank asked me/us "What is the Business Account going to be used for?" I/we confirm that my/our response was as set out below; To facilitate the payment of a contractor and its subcontractor's in respect of public construction works.
When the Bank asked me/us "Where is the money coming from to operate the Main Business Account on an ongoing basis?" I/we confirm that my/our response was as set out below; The monies will come from public funds.

Lodgement agreement and indemnity

Not required as all lodgements will be by BACS
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I/We confirm:	
a) that I/we have chosen the products and benefits mentioned in this Customer Agreement;	
b) my/our binding agreement for the products and benefits the terms and conditions for which have been provided to me/us and/or signed by me/us. I/We note that I/we will not be bound by terms and conditions for any arranged overdraft, business loan or other credit facility unless and until I/we have received any relevant facility letter(s) or agreement(s) and signed and returned them or drawn down or utilised the facility.	
c) that I/we have received copies of the General Terms and Conditions – Business Accounts and the Special Terms and Conditions for each of the products or services referred to in this agreement. These are the terms and conditions that will apply to and form part of this agreement. I/We understand that the terms and conditions may change from time to time as set out in the terms and conditions;	
d) that I/we agree to be bound by the terms and conditions;	
e) that for joint accounts, We acknowledge that the terms and conditions applicable to this Customer Agreement will apply to us jointly and severally. This means that each one of us is, as between the Bank and each of us, responsible for compliance with this Customer Agreement both together and individually;	
Before I/we sign or agree to enter into and be bound by this agreement, I/we understand that it is important that I/we read and understand the terms and conditions that will apply to it. If there are any terms that I/we do not understand or do not want to agree to, you have told me/us that I/we can discuss it with you before signing. I/We have been told to only sign this Customer Agreement if I/we wish to be bound by the terms and conditions of this Customer Agreement. I/we understand that the Bank recommends that I/we get independent advice before accepting any overdraft or business loan facility.	
If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.	
Further details explaining how the information held by fraud prevention agencies may be used can be obtained from our "How we use your personal and business information" leaflet, or from your branch.	
I/we note that the offer contained in this Customer Agreement will lapse if I/we do not sign and return this Customer Agreement to the Bank at the branch listed in the heading of this Customer Agreement within 14 days of the date on which I/we have received this Customer Agreement or such longer period as the Bank may agree.	
	
Government's signature	Contractor's signature
	
Print name	Print name
	
Date	Date

Bank special terms and conditions referred to are attached here

Project Bank Account - Trust Deed (Form CG2)

This agreement is made between the *Employer*¹, the *Contractor*² and the Named Suppliers³.
Terms in this deed have the meanings given to them in the contract between

_____ (*Employer*) and
_____ (*Contractor*) for
_____ (the Works).

Background

The *Employer* and the *Contractor* have entered into a contract for the Works.

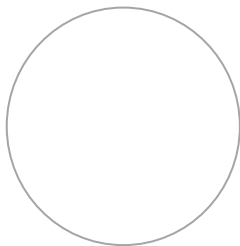
The Named Suppliers have entered into contracts with the *Contractor* in connection with the Works.

The *Employer* has established a Project Bank Account to make provision for payment to the *Contractor* and the Named Suppliers.

Agreement

The parties to this deed agree that:

- sums due to the *Contractor* and Named Suppliers, as set out in the Authorisation, are held in trust in the Project Bank Account by the *Contractor*. These funds will be distributed to the *Contractor* and Named Suppliers in accordance with the banking arrangements applicable to the Project Bank Account;
- further Named Suppliers may be added as parties to this deed with the agreement of the *Employer* and *Contractor*. The agreement of the *Employer* and *Contractor* is treated as agreement by the Named Suppliers who are parties to this deed;
- this deed is subject to the law of the contract for the Works; and
- the benefits under this deed may not be assigned.



Executed by the *Employer* under seal as a deed on (date): _____

witnessed by

¹ The Employer is also known as the Client or the Contracting Authority.

² The Contractor is the Main Contractor.

³ A Named Supplier is a person or organisation who has a contract to: construct or install part of the Works; provide a service necessary to Provide the Works; or supply Plant and Material for the Works.

PROJECT BANK ACCOUNT - TRUST DEED (FORM CG2)

Signature: _____ Position⁴: _____

⁴ To be witnessed by a member of the Senior Civil Service or equivalent grade in the relevant public body.

PROJECT BANK ACCOUNT - TRUST DEED (FORM CG2)

Executed by the *Contractor* under seal as a deed on (date): _____

by

LS Signature: _____ Position⁵: _____

and/witnessed by

Signature: _____ Position: _____

⁵ To be signed by a director of a limited company (authorised to do so) or partner of a partnership (authorised to do so) or an individual sole trader.

Named Suppliers⁶

Supplier No.: _____

Executed by (name of company): _____

under seal as a deed on (date): _____

by

LS Signature: _____ Position⁷: _____

and/witnessed by

Signature: _____ Position: Project Manager _____

Bank details of Named Supplier above:

Supplier (name of company): _____

Account Name: _____

Bank Name: _____

Sort Code (6 digits: xx-xx-xx): _____

Account No. (8 digits): _____

⁶ A Named Supplier is a person or organisation who has a contract to: construct or install part of the Works; provide a service necessary to Provide the Works; or supply Plant and Material for the Works.

⁷ To be signed by a director of a limited company (authorised to do so) or partner of a partnership (authorised to do so) or an individual sole trader.

PROJECT BANK ACCOUNT - TRUST DEED (FORM CG2)

Project Bank Account - Bank Mandate (Form CG3)

This mandate is for a Project Bank Account (PBA) in respect of a construction works contract between:

_____ (Employer) and
_____ (Contractor) for
_____ (the Works).

Background

Authorisation for payment from the Project Bank Account must be signed by a designated representative of the *Employer* and the *Contractor*.

By signing this form the signatories hereby give consent for the PBA Bank to hold their signatures on this form and electronically. The signatures may be used when checking the signature on other documents.

Completion of this form

This form has a page for the Employer's signatories and a page for the Contractor's signatories. It should be printed single sided so that each page can be completed separately.

The PM/CoPE PBA Contact should forward the Employer's signatories page directly to the PBA Bank when complete. The PM/CoPE PBA Contact should provide this form, pre-signed by the Employer, to the Contractor at the initial meeting. The Contractor will provide this form, the Contractor's signatories, Contractor's details and Contractor's Bank Account details in person to the PBA Bank. The PBA Bank will combine the relevant Employer and Contractor documents to complete this Bank Mandate.

Bank Mandate - Employer's signatories page

[The signatures must be in black pen and be kept within the box.]

Name of first signatory:

Name of second signatory:

Name of third signatory:

Name of fourth signatory:

Name of fifth signatory:

Name of sixth signatory:

Project Manager's contact details:

Email: _____

Mobile: _____

PROJECT BANK ACCOUNT - BANK MANDATE (FORM CG3)

Bank Mandate - Contractor's signatories page

[The signatures must be in black pen and be kept within the box.]

Name of first signatory:

Name of second signatory:

Name of third signatory:

Name of fourth signatory:

Name of fifth signatory:

Name of sixth signatory:

Contractor's Details:

Email: _____

Mobile: _____

Contractor's Bank Details

Name of Company: _____

Account Name: _____

Bank Name: _____

Sort Code (6 digits: xx-xx-xx): _____

Account No. (8 digits): _____

PROJECT BANK ACCOUNT - BANK MANDATE (FORM CG3)

Project Bank Account - Joining Deed (Form CG4)

This agreement is made between the *Employer*¹, the *Contractor*² and _____ (a Named Supplier³).

Terms in this deed have the meanings given to them in the contract between the _____ (*Employer*) and _____ (*Contractor*) for _____ (the Works).

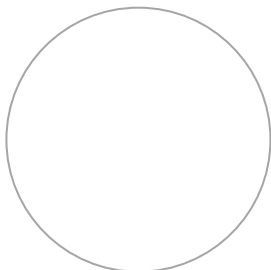
Background

The *Employer* and the *Contractor* have entered into a contract for the Works.
The Named Suppliers have entered into contracts with the *Contractor* in connection with the Works.
The *Employer* has established a Project Bank Account to make provision for payment to the *Contractor* and the Named Suppliers.
The *Employer*, the *Contractor* and Named Suppliers have entered into a deed as set out in Form CG2 (the **Trust Deed**), and have agreed that this Named Supplier may join that deed.

Agreement

The Parties to this deed agree that:

- the Additional Supplier becomes a party to the **Trust Deed** from the date set out below;
- this deed is subject to the law of the contract for the Works; and
- the benefits under this deed may not be assigned.



Executed by the *Employer* under seal as a deed on(date): _____

witnessed by

¹ The Employer is also known as the Client or the Contracting Authority.
² The Contractor is the Main Contractor.
³ A Named Supplier is a person or organisation who has a contract to: construct or install part of the Works; provide a service necessary to Provide the Works; or supply Plant and Material for the Works.

PROJECT BANK ACCOUNT - JOINING DEED (FORM CG4)

Signature: _____ Position⁴: _____

⁴ To be witnessed by a member of the Senior Civil Service or equivalent grade in the relevant public body.

PROJECT BANK ACCOUNT - JOINING DEED (FORM CG4)

Executed by the *Contractor* under seal as a deed on (date): _____

by

LS Signature: _____ Position⁵: _____

and/witnessed by

Signature: _____ Position: _____

Executed by the Named Supplier under seal as a deed on (date): _____

by

LS Signature: _____ Position⁵: _____

and/witnessed by

Signature: _____ Position: Project Manager _____

Bank Details of Named Supplier

Name of Company: _____

Account Name: _____

Bank Name: _____

Sort Code (6 digits: xx-xx-xx): _____

Account No. (8 digits): _____

⁵ To be signed by a director of a limited company (authorised to do so) or partner of a partnership (authorised to do so) or an individual sole trader.

Attach copy of completed signed Trust Deed here

PROJECT BANK ACCOUNT – AUTHORISATION (FORM CG5)

Project Bank Account – Authorisation (Form CG5)

Name of Project Bank Account (a trust account):

Sort Code (6 digits: xx-xx-xx):

Account No. (8 digits):

Authorisation No.: (in respect of Certificate No.:)

Job No.:

Payment from the above Project Bank Account, to the Contractor/Named Suppliers, of the amounts as listed below, is authorised.

Payment Authorised	Contractor/Named Supplier (a trustee)	Sort Code (6 digits: xx-xx-xx)	Account No. (8 digits)
£			
£			
£			
£			
£			
£			

Signed on behalf of *Employer**

Print Name:

Date:

Signed on behalf of *Contractor**

Print Name:

Date:

PROJECT BANK ACCOUNT – AUTHORISATION (FORM CG5)

* The trustees, in signing this authorisation, are facilitating payments to the Named Suppliers identified above for the amounts requested by the Contractor. Responsibility for payments to subcontractors remains solely with the Contractor and not the trustees.

CoPEs Signatories (Form CG6)

NICS Centre of Procurement Expertise Authorised Signatories

The Centre of Procurement Expertise (CoPE) official at Section 1, who is a member of the Senior Civil Service (Grade 5 or above), is authorised to nominate the CoPE officials identified at Section 2.

The CoPE officials identified at Section 2 are in turn authorised to confirm that a representative nominated by the Employer is authorised to sign a 'request to open a PBA'.

Section 1

Name of CoPE: _____

I confirm that the following officials are authorised to sign a 'Request to open a Project Bank Account' to confirm that the person signing on behalf of the Employer is authorised to do so.

Name: _____ Position: _____

Signature: _____ Date: _____

Section 2

[The signatures must be in black pen and be kept within the box.]

Name of first signatory

Name of second signatory

Name of third signatory

Name of fourth signatory

Name of fifth signatory

Name of sixth signatory
