



PAYAPPS

Legal Considerations for Payapps Customers

Quick Reference Guide

Disclaimer

Please note that Payapps does not provide legal advice. Customers should not mis-interpret the recommendations in this document as legal advice. They are intended simply to raise awareness about some issues to be considered with their own advisers. Customers should rely on the advice of their own professional advisors.

Subcontract Clause Recommendations

Payapps have received legal opinion that the following considerations should be incorporated into standard subcontract agreements.

Payapps does not provide specific text to include in subcontract clauses but recommends customers have these suggestions considered and drafted by their own legal representative.

Suggested topics to address:

1. Submission of Progress Claims through Payapps is accepted by both parties as an accepted form of claims being delivered – regardless of email delivery.
2. Approval of Progress Claim through Payapps is accepted by both parties as an accepted form of a Payment Schedule being delivered – regardless of email delivery.
3. Attachments uploaded by the Claimant against the submitted claim in Payapps are considered part of the Progress Claim to which they are uploaded, without need for individual delivery by post or email.
4. Attachments uploaded by the Respondent against the approved claim in Payapps are considered part of the Payment Schedule for the claim to which they are uploaded, without need for individual delivery by post or email.
5. Both parties agree that referencing attachments for supporting information via hyperlink in a Payment Claim or Payment Schedule is an acceptable form of delivery.
6. Both parties agree to the use of Recipient Created Tax Invoices, where applicable. This may require a separate agreement or addendum to be signed.
7. In WA and NT, submission of a Payment Claim via Payapps satisfies the requirement of the claim being signed, as there is an audit trail in Payapps of which user submitted the claim.
8. Any claim retracted by the Subcontractor via Payapps is considered formally withdrawn under the relevant Act. Re-submitting the claim via Payapps will be considered the recognised delivery date of the claim and treated as though first submitted at that time.
9. Subcontractor pays any costs associated with their Payapps usage at their own expense.

Payapps provides the ability for subcontractors to use the platform in a “self-assess” capacity. This means the subcontractor can use the platform for managing contracts and progress claims even if the builder they are working for is not a Payapps user. The above considerations should be framed in the context of contracts where the customer has explicitly invited the subcontractor to a contract that the customer has set up.

Payapps sends email notifications of claim submissions and approvals with relevant system-generated PDF documents as attachments. These PDF documents are also available for download from within the platform at any time by each organisation's registered and appropriately permissioned users.

A limitation of emails is that they are dependent upon each organisation's email servers and configurations. We recommend the inclusion of Payapps as an acceptable system of record rather than specifically relying on emails for communication of claim submission and approval.

System Configuration

Legal Entities

Payapps supports the setup of multiple legal entities for a single organisation, with respective trading names, addresses, and logos. Legal entities are selected at project level, with the details of the selected legal entity being shown on all system-generated Payment Claim, Payment Schedule, and RCTI documents. Care should be taken to have the correct legal entity selected for each project.

It is also possible for subcontractors to have multiple legal entities. Where this is the case, there is a drop list in the Contract Setup page for the user creating the contract to select which entity the contract is with. Care should be taken to select the appropriate entity.

The screenshot displays the 'Contract Details' page in the Payapps system. The top navigation bar is dark blue with icons for navigation, home, confirmation, and analytics. Below the navigation bar, the breadcrumb trail shows 'My Projects > Audi Dealership Rebuild: Camberwell Masonry Pty Ltd'. The main content area has a tabbed interface with 'CONTRACT:', 'DETAILS', and 'ORIGINAL WORKS'. The 'DETAILS' tab is active. In the top right corner of the details section, there is a 'DELETE CONTRACT' button with a trash icon. The contract title 'AUDI DEALERSHIP REBUILD: CAMBERWELL MASONRY PTY LTD' is displayed. Below this, there are two required fields marked with an asterisk: 'Contract Name' and 'Claimant Legal Entity'. The 'Contract Name' field contains the text 'Audi Dealership Rebuild: Camberwell Masonry Pty Ltd'. The 'Claimant Legal Entity' field is a dropdown menu with two options: 'Camberwell Masonry Pty Ltd - ABN: 43212343212' (which is selected and highlighted in blue) and 'Camberwell Blockworking Pty Ltd - ABN: 14131231399' (highlighted in pink). At the bottom of the form, the text 'Contract Details' is visible.

Compliance Requirements

Payapps provides the ability for compliance documents to be configured globally (i.e. as included by default on all new contracts) and specifically by contract. Typical use cases for compliance requirements are insurances and Supporting Statements, but they can be used to capture signed subcontract agreements, RCTI agreements and bank guarantees, where applicable.

In NSW and Queensland, it is required that all claims be accompanied by a Supporting Statement. It is recommended that these compliance requirements be configured with the 'Restrict Edit/Delete' setting turned on so that these documents cannot be modified or removed by project teams without central approval. It is also recommended the 'Prevent Approval' checkbox be turned on (at a minimum) and the 'Prevent Submission' would also be advisable

Compliance

☒ Enable compliance for this contract?

Document Name	Required At	Date Checks	Discretionary	Specific To Contract	Prevent Submission	Prevent Approval	Restrict Verify	Restrict Edit/Delete	
Public Liability Insurance	Contract	<input checked="" type="checkbox"/> Require Expiry Dates?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	×
Workers Compensation Insurance	Contract	<input checked="" type="checkbox"/> Require Expiry Dates?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	×
Subcontractor Statement	Claim	N/A - checked per Claim	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	×

ADD DOCUMENT

Reference Dates in Project & Contract Setup

When setting up Claim Due date and Period End date, the Period End should pre-date the Claim Due date. Under a strict interpretation of the SOPA (NSW) legislation, any claim that includes any future estimate of works complete is considered invalid. Similarly, any claim made before the Period End date could be considered invalid.

DETAILS PERMISSIONS

Save Close X

Claims email reminder dates MONTHLY

Claims are due on

25th day of the month

Send claim submission reminder on

20th day of the month

For work completed up to

24th day of every month

Standard Modification Reasons

Payapps provides configuration capability for standardised modification reasons for use when assessing progress at less than the claimed values. These modification reasons should be as detailed as possible and are the legal responsibility of the customer. It is also advisable to use the optional 'Explanation' text area to provide as much details as possible when assessing progress as less than claimed. This additional detail will be included in the Payment Schedule produced by Payapps. The quality of reasons provided will have significant bearing on any adjudication decision in the event of a disputed assessment.

Some examples of inadequate reasons include the following:

- Direct costs incurred by builder due to contractor damage and negligence.
- Retention still to be paid at a later date and has not been assessed in this schedule.
- Damages for defects.
- Works are incomplete.
- Payment claim is invalid.
- The claim is 'rejected'.
- The Respondent 'again' refutes all claims.

Payapps explicitly advise against relying on a standard modification reason referring to missing compliance documents, such as insurances. When assessing a claim for a lower value than claimed by the subcontractor, the legislation requires all reasons for the lower assessment to be provided at a line item level. If taken to an adjudication, an ambit claim assessed at a lower value with only a reference to missing insurances could be deemed payable in full upon provision of the missing documents.

It is also worth noting that an adjudicator will not consider any issue that was not entered as a reason for difference in the Payment Schedule. Every relevant reason should be entered.

Use of Recipient Created Tax Invoices (RCTIs)

Payapps has functionality to generate RCTIs, but this feature should only be used if the subcontractor has signed an agreement to accept this form of invoicing.

Configurable Text in Payment Schedule Header

Payapps provides the ability to configure the text shown on the top left of the first page of the Payment Schedule. It is also possible to define more than one "type" of contract, with each type having its own text configuration. This enables the configuration of different header text for different use cases. The "type" of contract is selected within the Contract Setup page of each individual contract.

Configurable Text in RCTI Footer

The footer of the RCTI produced by Payapps is configurable. The following sample text was provided to Payapps as part of our legal review. This will be included by default but can be modified by each customer.

"The recipient and the supplier declare that this agreement applies to supplies to which this tax invoice relates. The recipient can issue tax invoices in respect of these supplies. The supplier will not issue tax invoices in respect of these supplies. The supplier acknowledges that it is registered for GST and that it will notify the recipient if it ceases to be registered. The recipient acknowledges that it is registered for GST and that it will notify the supplier if it ceases to be registered for GST. Acceptance of this RCTI constitutes acceptance of the terms of this written agreement. Both parties to this supply agree that they are parties to an RCTI agreement. The supplier agrees to notify the recipient if the supplier does not wish to accept the proposed agreement within 21 days of receiving this document."

Claim & Payment Schedule Attachments

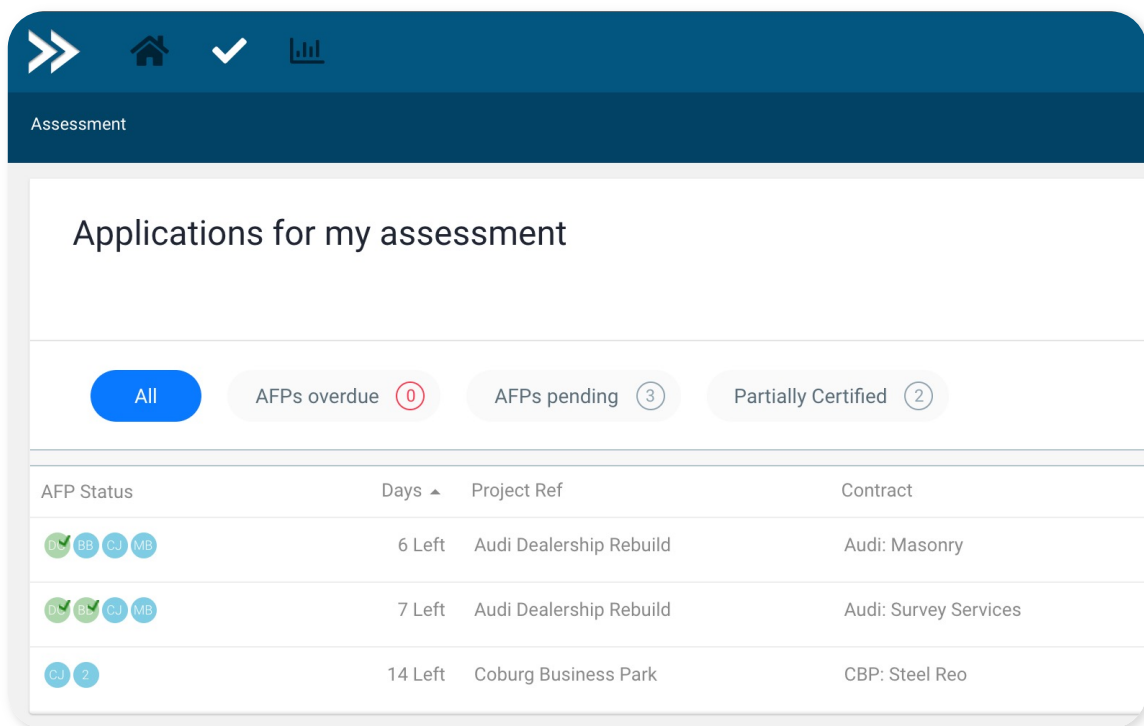
Payapps lists hyperlinks to a selection of uploaded compliance documents and supporting evidence on progress claims and payment schedules. Not all documents will appear on every progress claim or payment schedule. The criteria for whether a document will be listed is dependent on its relevance to the current period and whether the respondent or claimant uploaded the attachment.

The table below describes which document types will be visible on the payment schedules and claims based on the uploaders party.

		Current Claim	Current	Improved Accuracy	Better Decision Making
Uploaded by Claimant	Contract Compliance	✓	✓	✓	✓
	Claim Compliance	✓	✓	✗	✗
	Contract	✓	✓	✓	✓
	Claim	✓	✓	✗	✗
	Line	✓	✗	✗	✗
Uploaded by Respondent	Contract Compliance	✓	✓	✓	✓
	Claim Compliance		✓	✗	✗
	Contract	✓	✓	✓	✓
	Claim		✓	✗	✗
	Line		✓	✗	✗

Approval Due Dates

Payapps calculates an “approval deadline” for each claim is based on the number of days allowed under the relevant state legislation and is calculated from the date the claim was submitted by the subcontractor. “Deadline Reminder” emails are sent to users with the relevant project permission and includes all claims for that project that are within three business days of their approval deadline, or potentially past the deadline. Claims will be included within the reminder emails until approved or retracted. The reminders will not be sent if there are no claims within three days of deadline. Claim deadlines are also shown on the Claims For My Assessment page in Payapps. In this page, the number of days shown is calendar days, as users may be logged in on weekends.

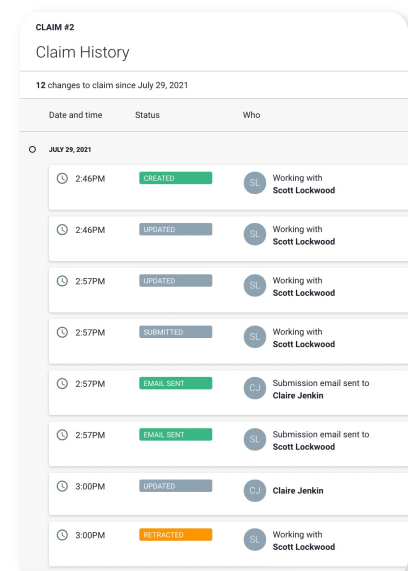


AFP Status	Days	Project Ref	Contract
BB CJ MB	6 Left	Audi Dealership Rebuild	Audi: Masonry
BB CJ MB	7 Left	Audi Dealership Rebuild	Audi: Survey Services
CJ 2	14 Left	Coburg Business Park	CBP: Steel Reo

Progress Claim History

Any time a claimant or respondent creates, saves, submits, retracts, or approves a progress claim a log is recorded in the claim history. Respondents can access this history within the application at the top right of each claim. The claim history logs the type of action that occurred, a timestamp and the user who made the action. Once a log is added to the claim history it cannot be removed or changed.

For any questions on the above or how to configure Payapps, please contact a member of the Payapps Customer Success team.



Date and time	Status	Who
2:46PM	CREATED	Working with Scott Lockwood
2:46PM	UPDATED	Working with Scott Lockwood
2:57PM	UPDATED	Working with Scott Lockwood
2:57PM	SUBMITTED	Working with Scott Lockwood
2:57PM	EMAIL SENT	Submission email sent to Claire Jenkin
2:57PM	EMAIL SENT	Submission email sent to Scott Lockwood
3:00PM	UPDATED	Claire Jenkin
3:00PM	RETRACTED	Working with Scott Lockwood