

ENSURING PROJECT SUCCESS.

A Funds Control Guide



A THIRD-PARTY ADMINISTRATOR

Uncertainty Can Be Planned For.

Funds Control Services

- A dedicated account manager knowledgeable in your operation, the project and the stakeholders
- Industry experts capable of quickly analyzing and executing payment direction
- Segregated and private-labeled funds administration accounts
- ACH payment capabilities for fast payment
- Seamless integration of contract performance information into the surety underwriting process for enhanced surety capacity
- Fully integrated risk management protocols for releases and payment documentation
- Access to surety claim staff and legal support for early intervention and risk assessment of contract disputes
- Facilitation of preferred vendor and subcontractor pricing and credit terms
- Real-time financial data downloadable to most major accounting software packages, eliminating duplicate entry

HOW-TO:

Implementing Best Practices and Operations.

1. Focus on the long-term impact.

Forecasting financial needs and planning for growth over the long term ensures that the project delivers value beyond just completing contractual obligations. As a result, everyone can benefit, and its effects last even after a project is complete.

Implementing sustainable practices, quality assurance and developing and enhancing your own financial management capabilities allow you to evolve, support your business longevity and position yourself in a class above the industry standard.

2. Integrate efficient practices and products.

In understanding the full scope of a project and its financial conditions, various tasks and resources can be allocated more efficiently. Reduce waste and maximize project productivity by ensuring resources (workforce, materials, subcontractors and equipment) are used most effectively to achieve project objectives.

3. Prepare to adapt.

Be proactive: identify and address potential risks before they become reality. Examine risk with scenario planning and stress testing to prepare for potential obstacles that could delay or prevent project completion.

Be adaptable: Not every project will run smoothly or as you expect. More often than not, an unavoidable challenge or changes in circumstance will occur. This might involve reallocating resources, renegotiating terms or

revising project plans as needed to mitigate risks and generate the greatest outcomes. Plan precisely but with flexibility at each phase to avoid bottlenecks.

4. Utilize risk assessment.

Apply risk assessments. A project's operational, market, regulatory and other potential risks are all taken into account by quality risk management, along with any other elements that might have an impact on the project's outcome. Through early detection and resolution of these risks, the surety can better protect the contract funds.

5. Compliance and accountability.

Avoid legal issues and reputational damage by maintaining high standards of compliance and accountability. Comply with and stay updated on local and state labor regulations, industry standards, contractual obligations and tax laws.

6. Comprehensive financial planning.

Comprehensive financial planning strategies implement realistic financial goals and help to build a solid framework to distribute funds appropriately throughout the project life cycle.

BEYOND THE BASICS

Using Strategies That Protect All of Your Interests.

A holistic approach: planning with purpose.

Holistic funds control considers all relevant factors and systems that support the overall goals and objectives. This cohesion brings all the aspects of financial management and planning together, including: optimizing resource allocation, proactive risk management, cash flow and budgeting to better support, facilitate and encourage efficiency, and cost-effective methods through innovative practice. It's more than just financial discipline; it's about aligning financial strategies to a vision.

Fostering collaboration, financial alignment, transparency and informed decision-making directly contribute to the overall stability and viability of the project and your bottom line.

A full-scale approach to funds control looks like:

- Evaluating financial health & identifying stakeholders
- Unified budgeting and alignment of goals
- Monitoring expenditures and funding allocation
- Risk management
- Optimized resource allocation
- Technology integration
- Financial transparency

Better budgeting and cost management.

1. Maintain strict control over costs. This prevents budget overruns, keeps fluid cash flow and maintains profitability.
2. Establish robust monitoring systems. Monitoring project and budgeting costs in real time detects threats and discrepancies early so you can take corrective actions before they create a problem.
3. The key is consistency. Delivering multiple projects within budget and attaining financial goals generate significant return on value. This value looks like enhanced reputation, credibility, reliability, growth and attracting more opportunities.

2. Take action at first notice.

Contact at first notice of a potential claim or adverse event. Timely investigation gives third-party administrations like us a better understanding of the facts as we seek to prepare a defensible case.

THE INDUSTRY STANDARD.

Most funds control firms focus exclusively on shepherding contract funds for the benefit of project owners.

While this works, there is expanded value when there's fluid exchange, understanding and collaborative decision-making between all stakeholders including the contractor, project owner, surety and other relevant parties working in project-funding operations. This is why Napa River only serves Hudson surety clients, which allows for a uniquely informed and holistic approach to managing surety contract funds.



Comprehensive Management to Ensure Contract Success.

Napa River Insurance Services, Inc. is an exclusive provider of funds control services to general and specialty trade contractors that purchase surety bonds through Hudson Insurance Company.

Serving as the intermediary between construction project owners and contractors, Napa River ensures that those who supply labor and/or material to a Hudson-bonded project are paid out of those contract proceeds.

**MOVE
FORWARD
FEARLESSLY®**

CONTACT CHRIS FOR QUESTIONS



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Napa River Insurance Services, Inc. is a wholly owned subsidiary of Hudson Insurance Company, which is rated A+ (Superior) by AM Best, Financial Size Category XV.

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Napa River Insurance Services, Inc. is a licensed third-party administrator providing tailored risk management and claims services to businesses, organizations and institutions in healthcare, transportation and public entities.

**Plans Tailored To Your
Business Needs.**

>> NAPA RIVER (TPA) / FUNDS CONTROL

**Financial Security and
Construction Assurance.**

>> HUDSON SURETY (INSURANCE)