

JOINT VENTURE DIY KIT EVERY DEAL IS POSSIBLE!

Roles & Responsibilities Checklist

by
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PROPERTY 
RESOURCE SHOP

THE LEGAL STUFF...

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ROLES AND RESPONSIBILITIES CHECKLIST

Most joint venture agreements break down because of miscommunication and failure to provide clear and defined roles and responsibilities. If the role is not allocated, the task is left unfinished which can have a flow on affect to other tasks, creating a cascading affect that jeopardises the entire project.

This negative result tends to foster an environment for confusion, blame and resentment, which ultimately leads to a dispute between all parties. This can be avoided by setting clear guidelines from the outset.

In addition to creating a clear set of tasks for all involved, you are effectively creating your joint venture document, which can then be taken to the solicitor to have drawn up. The more detail you have prepared in advance, the more clarity you will have on the joint venture and the better you will be able to articulate it to the solicitor which will result in massive cost savings.

Below you will find two sets of tables that define broad and deal specific roles and responsibilities. Let's take a look at each of them now.

TABLE 1: BROAD SCOPE OF ROLES AND RESPONSIBILITIES

Table 1 covers the broad scope of roles and it is well worth discussing and allocating these tasks early on in the agreement to acquire a good understanding of where the venture is heading. It will also bring to attention any initial concerns around the apportionment of assignments for each party. *Please see Attachment 1.*

TABLE 2: DEAL SPECIFIC SCOPE OF ROLES AND RESPONSIBILITIES

Table 2 is a more specific look at deal specific key roles and responsibilities. These may not be applicable to your project but are worth considering so everyone has a clear understanding of what roles can be filled, and what needs to be outsourced based on the skill and experience of each joint venture partner.

Not all project specific roles will be listed below, and it would be assumed that all other roles and responsibilities fall to the associated joint venture partners. *Please see Attachment 2.*

Once you have worked through the two tables, be sure to print them out or share them with other partners electronically to ensure all roles and responsibilities, where applicable, are allocated and agreed upon so there can be no ambiguity around expectations of task completion.

Ultimately, I prefer to have each partner sign off on each role so that there is commitment and accountability shown by all involved. This breeds certainty and confidence towards each partner, which is a great foundation to build upon.

ATTACHMENT 1: TABLE ONE

ROLE	TASK	DESCRIPTION	BY WHOM	DATE COMPLETED
Finding The Deal	Market research	Become familiar with the chosen area of investment, attending 'open houses' and meeting with agents to formulate an educated opinion on what type of product the market wants		
Finding The Deal	Document Findings	Generate documentation that supports a particular strategy implementation and appropriate purchase		
Finding The Deal	Feasibility studies	Generate various feasibility studies on numerous properties to gain a better understanding on purchase price point that facilitates the implementation of a valid strategy		
Acquisition Of Site	Negotiation of purchase	Liaise with real estate agent and mortgage broker to purchase the property at a suitable price point to facilitate the overall strategy		
Acquisition Of Site	Solicitor liaison for purchase	Engage and liaise with solicitor to ensure all conveyancing needs are met and proper searches have been completed		
Acquisition Of Site	Insure property	Ensure property has been insured appropriately and any public liability issues have been addressed		
Financing The Project	Purchasing entity	Engage accountant and setup agreed purchasing entity and investing structure		
Financing The Project	Engage financier	Engage mortgage broker or banking representative to facilitate borrowing for property purchase		
Financing The Project	Accessible funds	Ensure all finance is made available for purchase of property and also for (insert strategy).		
Financing The Project	Banking	Ensure bank account is active with correct signatories and statement delivery has been organized.		
Financing The Project	Bookkeeping	Ensure all bills are paid promptly, monthly report of financial position and cash flow is produced for all parties		
Project Management	Document project exit strategies	Ensure written exit strategies have been documented and approved by all parties with an implementation plan that has been agreed upon		
Project Management	Create project feasibility	Ensure accurate ongoing project feasibility spreadsheet created, monitored and distributed to all parties on a monthly basis		
Project Management	Create project schedule	Ensure you have a detailed schedule of tasks and timeframes for the entire project and it's updated weekly		
Project Management	Liaise with council	Engage council via appropriate consultants and liaise where required based on strategy needs		
Project Management	Engage consultants	Engage relevant consultants for project including architect, builder, engineer (civil, structural, audio and hydraulic), town planner, surveyor		
Project Management	Design and manage renovation	Work with architect or draftsman to formulate suitable renovation design that facilitates the strategy		
Project Management	Engage and manage real estate agents	Interview agents and any other marketing consultants to sell or lease property effectively and according to strategy		
Selling	Solicitor liaison for selling of properties	Engage and liaise with solicitor to ensure all conveyancing needs are met and proper searches have been completed		
Selling	Negotiation of sale of the property	Work with selling agents and financiers to achieve suitable sales price of the property		

ATTACHMENT 2: TABLE TWO

ROLE	TASK	DESCRIPTION	BY WHOM
Development Manager	Overview	General management of the Project	
Development Manager	Overview	Preparation, updating and maintenance of the Budgeted Cash Flow and Development Plan	
Development Manager	Overview	Sales and marketing of lots in the Project	
Development Manager	Co-ordination of the Project	Engagement of Consultants	
Development Manager	Co-ordination of the Project	Co-ordination of Management Committee meetings and circulating agendas and providing minutes of those meetings to the Joint Venturers' Management Committee representatives	
Development Manager	Co-ordination of the Project	Maintaining financial records (or, to the extent necessary, to assist the Accountant or Accountants to maintain such records) and dispersing such records amongst the Joint Venturers' Management Committee representatives	
Development Manager	Co-ordination of the Project	Liaising with the existing owners of the Land in relation to approvals required under the Land Contract and to otherwise coordinate any applications necessary on behalf of the Joint Venture for implementation of approvals required under the Land Contract or the Entitlements Deed	
Development Manager	Co-ordination of the Project	Apply for and obtain Development Approvals and otherwise appoint Consultants for that purpose	
Development Manager	Co-ordination of the Project	Reviewing building and construction costings and arrangements (except to the extent that those obligations are obligations on the part of the Builder for the Project)	
Development Manager	Appoint and manage quantity surveyor	Appoint, supervise and obtain necessary reports from the Quantity Surveyor and submit same to the Management Committee for review at each Management Committee meeting (or more frequently, if required by the Management Committee or otherwise required by the Financial Manager)	
Marketing Manager	Administer promotional material	Co-ordinating, preparing and supervising the production and issue of marketing and promotional materials for the Project	
Marketing Manager	Sales	Sales of lots in the Project	
Marketing Manager	Contracts	Management of contracts for sales of lots in the Project, including follow up of sales contracts	
Marketing Manager	Market research	Co-ordination and review of target markets for sales of lots in the Project	
Marketing Manager	Sales Commission	Co-ordinating, accounting for and making commission payments and reporting of same to the Management Committee	
Marketing Manager	Costings report	Provision of sales and marketing costings and reporting of same to the Management Committee	
Marketing Manager	Assist Development Manager	Where necessary, assist and liaise with development manager to fulfill obligations	
Builder	Construction	Construction of the Project	
Builder	Costings and Reporting	Providing operational works, civil works and general construction costings and reporting on same to the Management Committee	
Builder	Engage subcontractors	Engagement of subcontractors for construction, civil works and operational works purposes	
Builder	Defect management	Implementation and maintenance related to defect notification	
Builder	Civil and Op Works	Civil and operational works construction for the Project	
Builder	Purchase of fixtures and fittings	Purchasing and implementation of interior/exterior finishes in consultation with the Development Manager and otherwise in terms of schedules of finishes prepared and supplied by the Project architects or as otherwise approved by the Management Committee from time to time	
Builder	Landscaping works	Construction of landscaping works in conjunction with the Project architects	