Taking on work in progress in practice transaction

By Amanda Maskery, UK

When purchasing a practice, among the many factors clinicians need to consider is the situation regarding work in progress (WIP), an area that can be particularly complex in finalising the details of the transaction. Ongoing work that has not yet been completed, though it will have been at least partly paid for, could well take up a significant proportion of one’s capacity in the early stages of ownership, so it is vital to know exactly what one is taking on. Furthermore, from the outset, buyers need to be clear about the level of WIP against any payments already received, as well as the payments outstanding.

From the seller’s point of view, it is therefore important that an up-to-date list of WIP be kept in the run-up to completion. The situation is easier regarding WIP if the seller is remaining with the practice, but if existing completely, then careful determination of exactly what is to be inherited needs to be made at the earliest point. It also needs to be set out in the sale agreement the terms on which the buyer can claim fees for the work.

Some WIP will have been partly paid for by the time the transaction is completed, but there must be a consideration of how that will be structured. For example, if 75 per cent of the fees for the WIP have been paid by the patient, but only 50 per cent of the work carried out by seller, it must be determined whether the buyer will keep the 25 per cent balance or whether this will remain with the seller at completion.

In many situations, the buyer will be able to claim a proportion of money in respect of the percentage of work he or she will be carrying out to complete the treatment. However, in other circumstances, a decision may have to be made not to pursue this. It could be deemed that cases paid up at the outset or partly paid and those paid at the end of treatment will balance out at completion, rather than carrying out complex calculations on each piece of WIP.

WIP can indeed be a complex area, so it is important that all parties involved in the transaction sit down and work through an up-to-date list of WIP shortly before completion and work out exactly what is happening with each piece of unfinished work. A carefully drafted sale agreement is extremely important in this scenario, and consulting specialist dental advisers is strongly recommended.

Both the seller and buyer need clarity on how WIP will be transferred and who will retain what percentage of fees. Establishing this will enable a smooth transaction to the benefit of the business and patients alike.

Amanda Maskery
Amanda is one of the UK’s leading dental lawyers. She is Chair of the Association of Specialist Providers to Dentists (ASPD) in the UK and a Partner at Sintons law firm in Newcastle. Amanda can be contacted at amanda.maskery@sintons.co.uk

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The 5 Principles of Occlusion for Modern Day Advanced Restorative Procedures

Prof. Paul Tipton, UK

**Price:** 2,200 AED ($399 USD)

**Time & Location:**
- **Friday, 05 January 2018** | 09:00 – 18:00
- CAPP Training Institute, Dubai, UAE

**Course Outline:**
The morning session will consist of a seminar on occlusion and will cover the following topics:

1. The 5 principles of occlusion
2. RAP/V contact region
3. Mutual intercuspation
4. The importance of anterior guidance
5. Non-working side interferences
6. Posture

The afternoon session will be hands-on training on Facebook. Free registration.

**Contact:** Email events@cappmea.com  Mo: +971 50 2783771

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Phantom Head Course: Veneers, Bonded Crowns and Bridge Design

Prof. Paul Tipton, UK

**Price:** 2,200 AED ($399 USD)

**Time & Location:**
- **Saturday, 06 January 2018** | 09:00 – 18:00
- CAPP Training Institute, Dubai, UAE

**Course Outline:**
- Delegates will learn about:
  - The latest practical techniques in Aesthetic Dentistry
  - Tooth preparation for veneers and crowns on phantom heads hand-on training.
  - Understand where and how to prepare teeth for different styles of veneer preps.
  - Learn when and how to prepare teeth for different types of aesthetic crowns.
  - Understand and use the correct types of impression materials and adhesive manipulation techniques.

**Contact:** Email events@cappmea.com  Mo: +971 50 2783771