HOMEOWNER REPAIR GUIDE

ESTABLISH A PAYMENT SCHEDULE

For contracted repairs · Prevent contracting problems — before work begins

WHY A PAYMENT SCHEDULE MATTERS

One of the most frustrating parts of dealing with a contractor can come at the end of a project, when – even though most of the work has been completed and paid for – there are a few small details that the contractor has promised to fix "in the next few days." Weeks later, they are still unfinished, and the contractor has not responded to your calls. Mild irritation has turned to total dissatisfaction with the contractor, destroying all your pleasure in the work that has been done.

What can you do to keep this all too common problem from happening? In most cases, the answer lies in establishing and managing a payment schedule in such a way that the contractor has a real incentive to finish up the detail work.

NEGOTIATE BEFORE WORK STARTS

Talking over expectations – both yours and the contractor's – and negotiating the payment schedule before work starts can help prevent a myriad of problems. In developing the payment plan, Home Repair Resource Center suggests that you do not agree to a large down payment, but instead seek reasonable alternatives based on the principle of **"money paid for value received."**

SIZE OF JOB	REASONABLE PAYMENT APPROACH
Most small jobs	For most small jobs, no payment should be necessary until work is completed.
Larger projects	On larger projects, you might offer to make a check to the store for materials that must be specially ordered; offer to pay for materials delivered to your home; or offer to make progress payments as agreed-upon portions of the work are completed.

TIE PROGRESS PAYMENTS TO STAGES OF WORK

If you and your contractor come to agreement on a series of progress payments (a common arrangement is 1/3, 1/3, and the final 1/3 after all work is done), it's best to tie those payments to completion of readily identifiable stages of the work, which have been defined in advance. For example, on a contract for a new garage, you might agree to pay a certain amount when the concrete foundation has been installed, another amount when the rough framing has been completed, and the final payment when the whole job is done.

STICK TO YOUR GUNS

Once you agree to a plan, stick to your guns. Remember – retaining funds until all work is done is the best way to make sure that those nagging details at the end get finished! Whether it's the last progress payment on a big repair or "payment in full" for a small job, don't give up that final check until you are ***fully and completely satisfied*** with the work. (And, if yours was a big job where subcontractors were used, don't make the final payment without proof from the contractor that all subcontractors were paid.)

A FINAL TIP

Before you make <u>any</u> payment (even a progress payment) on jobs for which a permit is required, make sure that the work has been approved by your city's Building Department.

Home Repair Resource center

Home Repair Resource Center empowers homeowners to maintain their homes for sustainable and diverse communities.

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