

# HELPFUL TIPS

Things to know  
about contracts

## What Exactly Is A Contract?

A contract is an agreement between two or more people.

## Why Do I Need A Written Contract?

A written contract can save you from unnecessary financial loss and emotional stress.

## What Should A Written Contract Contain?

Your written contract should contain the details of every aspect of the project, including the scope of work and price. It should also contain any other necessary information to protect you should serious questions or a dispute arise between you and your contractor.

## Questions?

If you have any questions before you hire a contractor, contact the North Carolina Licensing Board for General Contractors at 919-571-4183

[www.nclbgc.org](http://www.nclbgc.org)



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General Contractors  
919-571-4183

[www.nclbgc.org](http://www.nclbgc.org)

5400 Creedmoor Road, Raleigh, NC 27612



North Carolina Consumer Protection  
1-877-5-NO-SCAM or 1-877-566-7226  
[www.ncdoj.gov/consumer](http://www.ncdoj.gov/consumer)

Better Business Bureau  
(703) 276-0100  
[www.fbbb.org](http://www.fbbb.org)

North Carolina Department of Insurance  
Engineering and Codes - Building Code Enforcement  
1-800-634-7854  
[www.ncdoi.com/OSFM/Engineering\\_and\\_Codes](http://www.ncdoi.com/OSFM/Engineering_and_Codes)

## A CONSUMER'S GUIDE TO

## REMODELING & HOME IMPROVEMENT CONTRACTS



## What to know before signing a contract.



*Protect Yourself Before You  
Build Or Remodel Your Home!*

# WHAT YOUR CONTRACT SHOULD CONTAIN

## 1. Contractor's Complete Information

Include the company name, address, phone number and the full name and license number of the builder / contractor and the salesperson.

## 2. A Detailed Description Of The Work To Be Done

Include specifics on materials such as color, quantity, size, model number, brand name, product and cost.

## 3. The Total Contract Price

This is the exact dollar amount the contractor will be owed at the completion of all work listed in the contract. If the contract is valued at \$30,000 or higher, the contractor must be licensed by the North Carolina Licensing Board for General Contractors.

## 4. A Payment Schedule That Parallels The Amount Of Work Completed

This schedule includes a "retention" (a percentage of each payment towards the total job which you retain until the entire job is completed.) Be sure to include all payments made to subcontractors and suppliers as well.

## 5. Work Start And Completion Dates

Allow for any reasonable delays. This should also include a clause that allows for you to withhold payment if work slows down for no apparent reason.

## 6. A Statement Of Permit Responsibility

Clearly indicate that all required building permits and variances required by your city, state and county will be obtained by the contractor before any work begins.

## 7. A Guarantee Of Liability Coverage

Obtain proof that the contractor carries liability insurance and has Worker's Compensation coverage; to protect you in case of accidents on the job.

## 8. A Statement Of Warranty On The Work

Be sure it indicates that the labor and materials are guaranteed and for how long. Include the names and addresses of the parties honoring the warranties.

## 9. A Statement Of Details

This should include what cleanup and removal of debris and materials will be done by the contractor and when. It should also provide instructions regarding pets, children or areas where materials may not be stored.

## 10. A Right To Cancel Clause

Detail the time frame in which you may cancel after the contract has been signed along with any penalties that you may incur when canceling after work has begun.



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