

## Prompt Payment “Cheat Sheet” for the Owner

### **Before the Work Begins**

- consider whether the Contract should alter the default requirement that Proper Invoices be given monthly and clarify how the Proper Invoice is to be given. Also, consider making the Contract align with the *Act*'s prompt payment requirements;
- consider requiring access to Contractor records or the interim submission of documents where appropriate, to allow for interim point in time assessments to be made;
- consider what additional information and documents should be included with a Proper Invoice, in addition to the statutory requirements, such as:
  - statutory declarations, WSIB clearance certificates, insurance certificates;
  - any other relevant documents, (ie. permits, inspection reports, etc);
  - full and complete backup to any amounts claimed on a T&M or unit prices basis or as an extra or change in the work; or
  - close out documents in relation to a final invoice;
- ensure that any consultants retained and/or internal personnel will understand the processes and be ready and available to respond as required during the 14 day period;
- understand that the *Act* governs over contract terms: The Owner cannot contract out of the requirement to pay within 28 days of the Proper Invoice being given, unless it gives a Notice of Non-Payment as required.

### **Upon Submission of an Invoice by a Contractor**

- consider if it meets the requirements of a “Proper Invoice” under the *Act* and Contract:
  - if so, assess when it was “given” (as this starts the 14 day review periods);
  - if not, advise the contractor of what is missing and request the missing information / documents. (This is not mandatory but in our view would be good practice).
- decide on the accuracy of the Proper Invoice, once it has been given:
  - are the amounts claimed accurate / agreed to?
  - were any changes/extras claimed for approved as per the Contract?
  - do you have any backcharges you would like to apply?
  - seek clarifications/revision on unclear or disputed items before the 14 days expires;
  - remember that a revised invoice does not re-set the clock: the 14 day and 28 day timeframes continue to run from the date the Proper Invoice was first given;
  - **if before the expiry of 14 days you have a reason to not agree**, in whole or in part, **give a Notice of Non-Payment** to the Contractor, in the form required by the *Act*;
  - **pay the Contractor any undisputed amounts** (for which a Notice of Non-Payment was not given within the first 14 days), **within 28 days of the proper invoice having been given**; and
  - **be prepared for the possible adjudication of any disputed items.**