

Insert Company Name Here  
Insert company address, phone number and website information here.

Contractor fraud often increases after natural disasters. Our mission at Insert Company Name Here is to ensure that disaster impacted communities recover from disaster in a prompt, efficient and predictable way.

Please use this checklist to mitigate your exposure to contractor fraud. **If you answer “no” to any of these questions, do not use the contractor.**

**Licensure/Insurance**

**YES / NO**

Licensure

Contractor’s Name	
Business Name	
License Number, Exp. Date	
I have a photocopy of the contractor’s business license.	
I have a photocopy of the contractor’s identification.	

Workers Compensation

Does the contractor have Workman’s Compensation?	
I have a photocopy of the documentation.	

Insurance

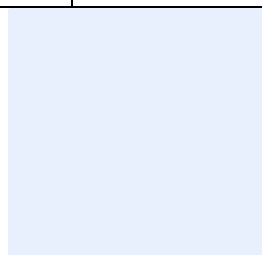
Does the contractor have proof of insurance?	
<ul style="list-style-type: none"><li>Insurance carriers name</li></ul>	
<ul style="list-style-type: none"><li>Policy number</li></ul>	
<ul style="list-style-type: none"><li>Phone number</li></ul>	
I have a photocopy of the proof of insurance.	

*It is critical that your contractor is licensed and insured to perform this work. Ask the contractor to send you a photocopy of each document before your first meeting to expedite approval of the contractor, as you will not have time to waste meeting with someone who is unable or unwilling to provide this information at a later point in time.*

**Bids and Estimates**

**YES / NO**

Ask for it to be broken into labor and material costs.	
Is the scope of work on paper?	
Does the scope of work include the following:	
<ul style="list-style-type: none"><li>Did the contractor do an extensive walk through of your home?</li></ul>	
<ul style="list-style-type: none"><li>Are the materials the contractor intends to use specified?</li></ul>	
<ul style="list-style-type: none"><li>Is there a timeline for how long the work will take?</li></ul>	
Did you obtain multiple bids?	



Have you compared price per square foot from multiple bids?	
Have others looked at bids to see if pricing is accurate/average market rate?	
Have you asked the contractor to provide you with three references from recent jobs?	
Have you contacted these three references and do you feel comfortable with their endorsement?	

Ask the contractor many questions during this stage. If you feel at all uncomfortable with any of the answers to these question do not hire this contractor. **If any of your answers to the above questions are no, do not proceed with this contractor.**

**Contract Details**

**YES / NO**

Have you read the entire contract?	
Are the following elements in the contract?	
<ul style="list-style-type: none"> <li>• Punch list: Walk through with contractor and build a punch list of all final project items to complete before finishing the job.</li> </ul>	
<ul style="list-style-type: none"> <li>• Home inspection: Build in a requirement of home inspection by a third party before final installation of payment (10%). The building must meet all relevant codes and standards in order for the contractor to receive payment. The cost of this inspection is on the homeowner. Only after successful completion of the entire punch list and home inspection will the final 10% be awarded to the contractor.</li> </ul>	
<ul style="list-style-type: none"> <li>• Release of Lien: Have contractor sign a Release of Lien document to release the homeowner of liability to subcontractors and vendors.</li> </ul>	
<ul style="list-style-type: none"> <li>• Payment Structure: <ul style="list-style-type: none"> <li>○ Progress billing: <ul style="list-style-type: none"> <li>▪ Is the down payment less than 30%?</li> <li>▪ Have you clearly identified progress points for payment/construction? We recommend no more than 30% up front for the first three stages, with a 10% installation after punch list items are complete.</li> </ul> </li> <li>○ Payment is accepted by check or credit card. <b>Do <u>not</u> pay in cash!</b></li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• Is there a warranty for their work (typically one to three years)?</li> </ul>	

Do not rush this process! It is important to have everything in order before proceeding. If you have answered NO to any of the above questions, **proceed with caution.** Contractor fraud takes place in many different forms and shapes, so make it a priority to ask a lot of questions and verify whether or not their license and insurance are not expired.

