

Progress Payments: What to Do When the Money Stops Trickling In

A post on the **Faegre Baker Daniels** website asks the question: What does a contractor do when the owner stops making progress payments?

The contractor has two options: it can either continue to perform the work or cease the work, neither of which is a perfect solution.

“The owner’s failure to pay progress payments that are ‘clearly due and owing’ generally entitles the contractor to stop work until the progress payment is made. While this rule seems clear, it is not that simple,” according to the post.

The contractor should look to its contract with the owner to find answers to two questions: Does the contract require the contractor to take a certain action? And, is payment “clearly due and owing?”

Read the article.