



## CHANGE ORDERS and Credits Policies

### Change orders

One of the most common questions we get asked is, "Can I change my \_\_\_\_\_ when we put things back together?"

The answer is YES! Here's a short synopsis of our change order process.

First, if you are interested in change orders tell your Project Manager upfront. If you have some idea of what items you might like to change, bring those up at your initial meeting with the Project Manager.

Second, the big question is always "What will this cost?" Here's how we answer that question:

- If your change order results in an UPGRADE (additional) cost we will compute the cost of the upgrade, plus our O&P allowed 20%. If the change order replaces insurance budgeted scope, the insurance budget will be subtracted from the price. Then you will be presented with a Change order to pay for the remaining balance.
- If your change order results in a CREDIT (decrease) we will compute the cost of the change order plus our O&P allowed 20%. If the change order replaces insurance budgeted scope, the insurance budget will be subtracted from the price. The credit resulting will receive an overhead charge of 10% to recover the cost of our time to write, document, and work with insurance on approved scopes and pricing. You will be credited with the remainder.

Third, after a change order is computed, your Project a manager will post it in BuilderTrend and discuss with you. If you approve the change order and pricing you can approve and sign the Change Order Document in BuilderTrend. Upgrades will be asked to pay 50% of the balance to start the work and the remaining 50% due upon completion. Change order work will not be started without approval in BuilderTrend by the homeowner.

### CREDITS

We also get asked, "Can I do some of my own work or have a different contractor do part of the work"? Again, the answer is yes. If there is part of the work process that Covenant doesn't complete here is how we will compute your credit.

The total of any line items not completed will receive an overhead charge of 10% to recover the cost of our time to write, document, and work with insurance on approved scopes and pricing. This is the overhead charge allowed by insurance. You will be credited with the remainder.

If you are considering downgrading, doing work yourself, or having Covenant do part of the work, please be sure you are aware of how your insurance company will view these changes and how it may affect you receiving payment towards depreciation. If you have questions you should ask your adjuster.