



BHCIP Lien Waivers, Draw Requests, and Proof of Payment Webinar



Agenda



01

Lien Waivers

02

Draw Request Overview

03

Proof of Payments

04

Resources

Disclaimer

- 1) Presenter is not an attorney and is not conferring legal advice.
- 2) This presentation is not legal advice, nor should be construed as legal advice.
- 3) This information is intended to *help sponsors submit a complete draw request to receive BHCIP program funds without delay.*



All About Lien Waivers



What Is a Lien? What Is a Lien Waiver?

What is a lien?

- A legal claim against your property for unpaid labor or materials.

What is a lien waiver?

- A document signed by the claimant* that confirms payment was received for their past invoices while the sponsor is assured that lien rights are waived. **An alternative type of “receipt” for payment.**

Why is this important to your project?

- Lien waivers prevent financial liability and are **required by law in California**. As part of their draw request to QDFC, **sponsors must submit lien waivers *ONLY from the general contractor and subcontractors who have filed preliminary lien notices*** to avoid delays in draw disbursements. **The general contractor is responsible for collecting and submitting subcontractors’ lien waivers to the sponsor.**
- **Subcontractors are required to file a preliminary notice to the general contractor, owner (sponsor), and QDFC.**



*A person or party who makes a claim or asserts a right, often formally and legally

Avoid Liens! Gather Lien Waivers as “receipt of payment”

BIG PICTURE:



1) AVOID LIENS: sponsor is responsible to pay vendors/contractors within 30-45 days net payment.

2) GATHER & SUBMIT LIEN WAIVERS: sponsor and GC are responsible to gather lien waivers and submit the lien waivers in their draw package to confirm previous payments from all contractors who file a “preliminary notice.”

**A person or party who makes a claim or asserts a right, often formally and legally*

Preliminary Notices - Details

What is a preliminary notice?

- **Requirement:** The contractor and subcontractors must serve a preliminary notice within **20 days** of beginning work on a project.
- **Purpose:** Provides evidence that a sub-contractor is beginning work. This notice preserves the right to file a mechanic's lien and protects against surprise liens from unpaid contractors/suppliers.
- **Delivery methods:** The notice can be delivered in person, via registered or certified mail, or through specific apps like Handle.
- **Recipients:** Subcontractors are required to file a preliminary notice to the **general contractor, owner (sponsor), and QDFC in place of a lender.**
- **Contractor** must file a preliminary notice to owner (sponsor) and QDFC only.

PRELIMINARY 20-DAY NOTICE

IN ACCORDANCE WITH SECTIONS 8200 et seq. AND 9300 et seq., CALIFORNIA CIVIL CODE,
THIS IS NOT A REFLECTION OF THE INTEGRITY OF ANY CONTRACTOR OR SUBCONTRACTOR.

NOTICE TO: <small>(Identify Name & Address of Party)</small>	YOU ARE HEREBY NOTIFIED THAT the CLAIMANT, has furnished or will be furnishing labor, services, equipment, or materials of the following general description: <small>(Identify Work/Materials provided by Claimant)</small>
PROPERTY OWNER _____ _____ _____	
PRIME CONTRACTOR _____ _____ _____	These services have been contracted for by: <small>(Identify Name & Address of Party Who Hired Claimant)</small> _____ _____
CONSTRUCTION LENDER _____ _____ _____	An estimate of the total price of the labor, services, equipment or material furnished or to be furnished is \$ _____
NOTICE FROM ("CLAIMANT"): <small>(Identify Name & Address & Phone)</small>	Property Address where labor, services, equipment or materials is furnished or to be furnished: _____ _____ _____

NOTICE TO PROPERTY OWNER

EVEN THOUGH YOU HAVE PAID YOUR CONTRACTOR IN FULL if the person or firm that has given you this notice is not paid in full for labor, service, equipment, or material provided or to be provided to your construction project, a lien may lead to loss of all or part of your property. You may wish to protect yourself against this by (1) requiring your contractor to provide a signed release by the person or firm that has given you this notice before making payment to your contractor, or (2) any other method that is appropriate under the circumstances.

This notice is required by law to be served by the undersigned as a statement of your legal rights. This notice is not intended to reflect upon the financial condition of the contractor or the person employed by you on the construction project.

Preliminary Notices – Process

- **Coverage:** If served after 20 days, the notice only covers work from the 20 days prior to the notice up to the end of the project.
- **Consequences:** Serving the notice late limits the amount claimable with a mechanic's lien.
- **Content:** Lists all project participants (sponsor, subs, general contractors, etc.).

DRAW PACKAGE Requirement:

- **Sponsor must include lien releases (compiled by general contractors) in the draw request for all subcontractors who have submitted a preliminary notice.** All subcontractors must send a preliminary notice to:

Quick Draw Fund Control
P.O. Box 1249
Yucaipa, CA 92399

PRELIMINARY 20-DAY NOTICE

IN ACCORDANCE WITH SECTIONS 8200 et seq. AND 9300 et seq., CALIFORNIA CIVIL CODE,
THIS IS NOT A REFLECTION OF THE INTEGRITY OF ANY CONTRACTOR OR SUBCONTRACTOR.

NOTICE TO: <small>(Identify Name & Address of Party)</small>	YOU ARE HEREBY NOTIFIED THAT the CLAIMANT, has furnished or will be furnishing labor, services, equipment, or materials, of the following general description: <small>(Identify Work/Materials provided by Claimant)</small>
PROPERTY OWNER _____ _____	
PRIME CONTRACTOR _____ _____	These services have been contracted for by: <small>(Identify Name & Address of Party Who Hired Claimant)</small>
CONSTRUCTION LENDER _____ _____	An estimate of the total price of the labor, services, equipment or material furnished or to be furnished is \$ _____
NOTICE FROM ("CLAIMANT"): <small>(Identify Name & Address & Phone)</small>	Property Address where labor, services, equipment or materials is furnished or to be furnished:
_____ _____	_____

NOTICE TO PROPERTY OWNER

EVEN THOUGH YOU HAVE PAID YOUR CONTRACTOR IN FULL, if the person or firm that has given you this notice is not paid in full for labor, service, equipment, or material provided or to be provided to your construction project, a lien may lead to loss of all or part of your property. You may wish to protect yourself against this by (1) requiring your contractor to provide a signed release by the person or firm that has given you this notice before making payment to your contractor, or (2) any other method that is appropriate under the circumstances.

This notice is required by law to be served by the undersigned as a statement of your legal rights. This notice is not intended to reflect upon the financial condition of the contractor or the person employed by you on the construction project.

Types of Lien Waivers: *Conditional and Unconditional*

Lien waivers are divided into two categories, each with two types:

- **Conditional Lien Waivers**: Used **before payment is made**, safeguarding the claimant's lien rights until payment is received.
 - **Conditional Progress (CP)**: For ongoing work, covers part of the expenses to a specific date.
 - **Conditional Final (CF)**: For completed work, covers the remaining expenses.
- **Unconditional Lien Waivers**: Effective immediately upon signing, **indicating payment has been received**.
 - **Unconditional Progress (UP)**: Follows a CP waiver after payment is made for specified amounts.
 - **Unconditional Final (UF)**: Indicates that final payment has been made and work is completed.



Lien Waiver Components – Section 1: Identifying Information

The State of California has established statutory language and items that must be present in any given lien waiver, regardless of type.

Identifying Information: The following fields remain the same among all waivers:

- **“Name of Claimant”**: The person or entity waiving their lien rights. This **must match** with any provided invoices and/or associated conditional lien waiver.
- **“Name of Customer”**: The person or entity who hired the claimant. This can be **the awardee**, in the case of the **general contractor**, or the general contractor themselves, **is the claimant is a subcontractor**.
- **“Job Location”**: The full address of the construction project.
- **“Owner”**: The owner or lessee of the site. This is almost always the awardee organization.
- **“Through Date”**: The date through which the claimant is waiving their lien rights. **One of the most common mistakes we see with lien waivers is an incorrect through date. The through date must match with the dates provided on the associated invoice(s). We may return lien waivers that do not cover reported expenses.**

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Through Date:

Lien Waiver Components – Section 2: Waiver and Release

Conditional Waivers:

- Include fields for the amount owed and the payer.
- **Fields:**
 - **Maker of check:** The payer, usually the customer.
 - **Amount of check:** Total requested, matching invoice sums. **This must be an accurate sum of the invoice amounts for which the waiver encompasses.**
 - **Check payable to:** The claimant.

Unconditional waivers:

- Require only the amount received.
- Certify satisfactory payment of the amount requested in the conditional waiver.

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____

Amount of Check: \$ _____

Check Payable to: _____

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has received the following progress payment:

\$ _____

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has been paid in full.

Lien Waiver Components – Section 3: Exceptions

Exceptions Overview

Retention

- Amount withheld until completion of work.
- Recommend excluding from draws/releases until final payment upon completion of work.

Extras

- Unpaid previous conditional waivers.
- **Date(s) of waiver and release**
 - List dates of previous waivers with unpaid amounts.
 - If none, mark “N/A.”

Amount(s) of unpaid progress payment(s)

- List amounts of earlier unpaid progress payments.

Note

- Be ready to explain any exceptions to the QDFC team, as they **rarely recommend payment on waivers with exceptions.**

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
Date(s) of waiver and release: _____
Amount(s) of unpaid progress payment(s): \$ _____
- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Exceptions

This document does not affect any of the following:

Disputed claims for extras in the amount of: \$ _____

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Exceptions

This document does not affect any of the following:

Disputed claims for extras in the amount of: \$ _____

Lien Waiver Components – Section 4: Signature

Signature: The claimant's signature, claimant's title, and date of signature **must** be filled out for a lien waiver to be considered valid.

- Ensure the person signing has the **legal authority** to waive the lien rights of the entity.
- **NO typed signatures** are permitted.
- **Wet ink and/or DocuSign** with certification is permitted.

Signature

Claimant's Signature:

Claimant's Title:

Date of Signature:

Conditional Lien Waivers

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: _____

Name of Customer: _____

Job Location: _____

Owner: _____

Through Date: _____

SAMPLE

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____

Amount of Check: \$ _____

Check Payable to: _____

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
Date(s) of waiver and release: _____
Amount(s) of unpaid progress payment(s): \$ _____
- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____

Claimant's Title: _____

Date of Signature: _____

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: _____

Name of Customer: _____

Job Location: _____

Owner: _____

SAMPLE

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____

Amount of Check: \$ _____

Check Payable to: _____

Exceptions

This document does not affect any of the following:

Disputed claims for extras in the amount of: \$ _____

Signature

Claimant's Signature: _____

Claimant's Title: _____

Date of Signature: _____

Unconditional Lien Waivers

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Through Date:

SAMPLE

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has received the following progress payment:

\$ _____

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature:

Claimant's Title:

Date of Signature:

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

SAMPLE

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has been paid in full.

Exceptions

This document does not affect any of the following:

Disputed claims for extras in the amount of: \$ _____

Signature

Claimant's Signature:

Claimant's Title:

Date of Signature:

Lien Waiver Best Practices

Invoices from all subcontractors requesting payment must be included in the draw request packet, regardless of their lien waiver status, to justify the release of funds.

01

Lien Waivers

Required for subcontractors who filed preliminary notices

Missing or inaccurate waivers delay processing and may reduce the draw amount.

02

Common Mistakes

Unsigned or incomplete waivers invalidate the request.

Scanned documents must be **clear**; illegible or blurry scans are unacceptable.

03

Best Practices

Collect waivers from all parties, **matching the work and payment amounts** for the draw period.

Keep **organized records** of all waivers for audits, legal protection, and project transparency.

Draw Request Overview



What Is a Draw Package?

- Sponsor's request for payment for labor and materials, the cost of actual work completed to date.
- Includes documentation to support the **current payment request** and provides **proof of payment for the previous request**.
- QuickDraw Fund Control (QDFC) may need up to **5 business days** to process a complete draw package.

Important

- Timely submission of a completed draw package is essential to maintaining your planned construction schedule.

FIRST DRAW	
TASKS	STATUS
Signed Draw Cover Sheet	<input type="checkbox"/>
Pay App	<input type="checkbox"/>
Invoices	<input type="checkbox"/>
Invoice List	<input type="checkbox"/>
Conditional Lien Waivers	<input type="checkbox"/>
Reallocation Request Form	<input type="checkbox"/>

NEXT DRAW	
Unconditional Lien Waiver/Proof of Payment	<input type="checkbox"/>
Signed Draw Cover Sheet	<input type="checkbox"/>
Pay App	<input type="checkbox"/>
Invoices	<input type="checkbox"/>
Invoice List	<input type="checkbox"/>
Conditional Lien Waivers	<input type="checkbox"/>
Reallocation Request Form	<input type="checkbox"/>

Components of a Draw Package

01

Invoices for the current request

- **Signed Draw Request Form (SDR):** Must be fully completed and signed by an **authorized signer with ink or by verified digital signature.**
- **Pay application:** Should align with the approved construction budget and can be in formats including AIA® G702, G703, or Excel Schedule of Values (SOV).
- **Invoice list:** Details all invoices, listing the **submitter, amount, and specific line item.**
- **Invoices:** Must be legitimate and clearly scanned.
- **Conditional lien waiver:** A legal claim to be paid for work performed.
- **Reallocation form** (if applicable): Show fund reallocation with references to SOV line items.
- **Change orders** (if applicable): Must be coordinated with QDFC and reflected in the updated SOV.

Proof of payment for the previous draw request

02

- **Unconditional lien waiver:** A legal document where a party forfeits the right to place a lien on a property, effective immediately upon signing, regardless of payment status. This waiver is commonly used to ensure no future liens are filed, providing clear title to the property.
- **Canceled checks:** **Both sides scanned**, matching payee and payment amount with invoices.
OR
- **ACH or credit card statements:** Clearly show payment for specific expenses.
OR
- **Wire/bank statements on bank letterhead:** See **slide 13.**
OR
- **Zero balance invoices:** See **slide 13** (only for municipalities or utilities).

**For sample templates, please visit [\(58\) QuickDraw Fund Control Portal](#)*

Signed Draw Request Form

- **Signed and dated by authorized signer only.**
- Wet ink (blue or black) or verified digital signatures only.
- Sponsors should submit a ticket via the [Building California Portal](#) if they need to change their authorized signer.
- Changes to the **authorized signer** must be updated on the Building California portal.



Draw Request Form

Date: 4/29/2022

Borrower: ABC Apartments, LLC

Authorized Signers: Tom Hanks


Property Address: 123 ABC Avenue

City: Los Angeles State: CA Zip Code: 90066

Borrower is requesting a draw pursuant to the Loan Agreement in the amount of:

TOTAL \$ 317,958.52

Borrower hereby certifies that the work and the materials set forth above have been thoroughly reviewed, accepted and has been completed in accordance with the plans and specifications for the project; meets code and all other guidelines established by the governing municipality; the work and material on site has been satisfactorily completed and/or supplied; and all suppliers and subcontractors have been paid for work and materials currently in place or on site, (with the exception of work and materials which are the subject of this draw request). Borrower has approved all change orders submitted with this draw and hereby approves this draw request for funding. Any notices, preliminary notices, lien claims, or any additional documents which Borrower has received that are related to any claims associated with/to construction, have been included with current or prior draw request.

Signature:  Date: 05.02.22
Tom Hanks

Invoice List: Required

Invoices from all subcontractors requesting payment must be included in the draw request packet to justify the release of funds.

Invoice List

- Must include:
 - Vendor/payee name
 - Total invoice amount
- Invoice list line-item names need to match those listed in original budget.
- Formatting is flexible and up to the sponsor (not provided by QDFC).

Invoice List		
UUID: B1_0000_ABC		
Draw #: 1		
Draw Total: \$200		
Description of Work/Line-item	Vendor/Payee Name	Amount
1 Pay Application	ABC General Contractor	\$100
2 Legal	XYZ Law Firm	\$20
3 Architect	X Architect	\$60
4 Owner Admin	AHP Sponsor	\$20
Total		\$200

Invoices: Required

Invoices from all subcontractors requesting payment must be included in the draw request packet to justify the release of funds.

Invoices

- Must include:
 - Date
 - Correct project address
 - Payee's/vendor's name
 - Description of work completed
 - Invoice number
- Required for all costs **outside** the scope of the general contractor.

COMPANY

EST. 2012
NAME

Simple Invoice

19/6/2020

Invoice #: INV-00004

Bill to:

Company Name

ABC Company

Address

4121 Barfield Lane
Indianapolis, IN, 46225

Phone Number

(555) 555-5555

Email

rich.glen@noemail.com

My Products

Description	Quantity	Amount
Product 1	1	\$26.69
Product 2	1	\$53.38
Product 3	1	\$133.44

Total

\$213.51

Budget Reallocations

- QDFC will provide a reallocation request form in its portal.
- Sponsors are allowed to reallocate line items within any part of the **approved Statement of Work (SOW)**.
- **Sponsors should avoid reallocating hard costs to soft costs. However, funds from soft costs may be reallocated to hard costs.**
- On the form provided, use consistent naming conventions to match the SOW. Failure to be consistent will lead to draw delays.

Reallocation Request Form

Borrower: ABC Sponsor Foundation

Project Name: B2_123_ABC Sponsor

Column #1	#2	#3	#4	#5
From Budget Line Item	Amount	To Budget Line Item	Amount	Reason for reallocation
Development Planning - Architect	\$2,000	Development Planning - Owner Admin.	\$2,000	Not enough funds
Development Planning - Legal	\$5,000	New Construction - Construction Manager	\$5,000	More hours required by manager
New Construction - Owner's Contingency	\$45,000	New Construction Hard Costs-Foundation	\$45,000	Cost increased due to weather
Total	\$52,000	Total	\$52,000	

*Column 2 and Column 4 are total amounts and must match.

Submitting Your Draw Package

Upload your documents to the **appropriate folders** in the QDFC Draw Portal.

01

Backup for Current Draw: Includes SDR, pay application, invoice list/invoices, conditional waivers, etc.

02

Backup for Previous Draw: Proof of payment for the last request.

03

Open Items: Missing documents needed to complete the draw.*

* If documents are missing, a list of open items will be sent to you. Upload these items to the Open Items folder, and QDFC will continue processing your draw request.

Avoid These Common Mistakes

01

Mismatched line-item names

05

Scanning issues

02

Missing invoice list

06

Irrelevant documentation

03

Incomplete draw documents

07

Invoice and pay application-related issues

04

Requesting overdrawn funds

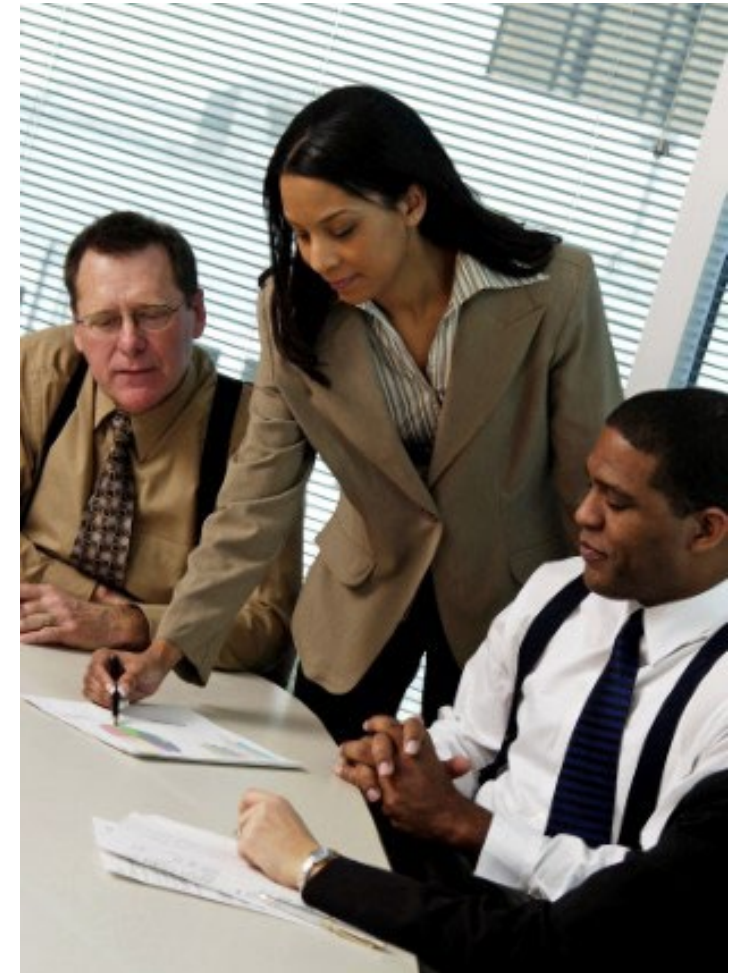
08

Communication issues

Best Practices for Draw Requests

A transparent relationship with your general contractor (GC) is crucial for an efficient funding process.

- **Draw Request**
 - Inform the GC that a draw is a sponsor's request for grant funds.
 - Lien waivers are required if a subcontractor issues preliminary notice, and should be prepared by the GC.
- **GC responsibilities**
 - Educate subs on the importance of lien waivers and address potential delays.
 - Join monthly calls with your account success manager to discuss lien waivers, access to the QDFC portal to submit documents directly, and support topics.



POLL #1

Do you understand the QDFC draw request process and requirements?

- 1) Yes, I understand fully.
- 2) Yes, I understand but have some questions.
- 3) I do not understand and need help.



Proof of Payments



Proof of Payment: Acceptable Forms

Unconditional lien waivers:

- Certifies payment and waives lien rights for the specified amount.
- Excludes exceptions, retention, or contract rights.

Canceled checks:

- Must be clearly scanned on both sides.
- Payee and payment amount must match the invoice.

ACH or credit card statements:

- Use cautiously as proof of payment.
- Transactions should clearly show the payee received funds for the specific expense.



Proof of Payment: Acceptable Forms

Wire/Bank Statements on Bank Letterhead

6/15/2022 12:11 PM

FAKE BANK
ABC Apartments, LLC
*****1568

5241 5/22/2022 DATE:
PAY TO THE ORDER OF: ABC Apartments, LLC \$ **40,615.25
ABC Apartments, LLC, 123 ABC Avenue, Los Angeles, CA 90086
Forty thousand six hundred eighteen and 25/100***** DOLLARS
FOR: HVAC *R. Murray*
Authorized Signature
00000000056 00000000098 1 665 FAKE BANK

CANCELLED

For Deposit Only
ABC Apartments, LLC
CHECK #1568
5241

Amount: \$-40,615.25
Check Number: 5241
Statement Description: CHECK PAID
Type: Debit
Status: Posted

Zero Balance Invoices (for municipalities and utilities only)

Utility Company Name

INVOICE

Invoice # 116099
Invoice Date Feb 10, 2023
Invoice Amount \$81.85 (USD)
Customer ID 168BepxTVC4zcE1OY0
PAID

Your Company Goes Here

BILLED TO
Russell Murray
Delaware Business Incorporators,
Inc.
3422 Old Capitol Trail, Suite 700
Wilmington, Delaware 19808
United States
russell.murray@dbiglobal.com
+1 302 379 1912

SUBSCRIPTION
ID 16CNC6TVC00os1UD3
Billing Period Feb 10 to Mar 09, 2023
Next Billing Date Mar 10, 2023

DESCRIPTION	AMOUNT (USD)
[REDACTED]	\$69.00
Your landline phone service with us, which then can have additional features added on.	
Sub Total	\$69.00
Federal Fed Usf Cellular @ 32.6%*	\$8.35
Federal Fcc Regulatory Fee (wireless)	\$0.01
State Telecom Relay Surcharge (wireless)*	\$0.02
State E911 (wireless)*	\$0.60
State Surcharge @ 5%*	\$3.87
Total	\$81.85
Payments	(\$81.85)
Amount Due (USD)	\$0.00

*This amount is calculated based on the taxable amount which may vary based on the taxation laws in your country.

Proof of Payment Process

01

Draw Request Submission

- Current draw request must include proof of payment from previous draw request.

02

Proof of Payment

Accepted by QDFC:

- Unconditional lien waivers, *or*
- Canceled checks, *or*
- ACH or credit card statements, *or*
- Wire/bank statements on bank, *or*
- Letterhead, *or*
- Zero balance invoices (only for municipalities or utilities)

03

Fund Distribution

- Funds will not be distributed unless proof of payment from previous disbursement is included in current draw request.
- Funds are deposited into the sponsor's individual development bank account (IDBA) within **30 days of receipt** of a complete draw request.
- Sponsors' fiduciaries distribute funds to the general contractors, subcontractors, material suppliers, and consultants.

To ensure a speedy draw process and payment, sponsors can:



Pay their development team within 7 business days of receiving grant funds in their IDBA.



Handle timely payments (required) to avoid mechanic's liens and/or delays.



Coordinate a net 45-day payment cycle with their development team.



POLL #2

Would you like more information on this topic?

- 1) Yes.
- 2) No, thanks.
- 3) It might be helpful.



Resources

01

QDFC has an instant messaging feature to help you submit a successful draw!

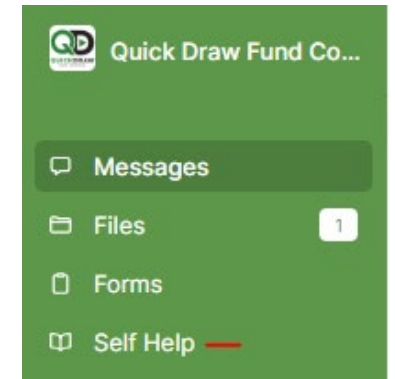
02

The QDFC Portal > Self Help Tab

03

Levelset is a trusted resource in the construction industry. See below for instructional videos and helpful articles.

- [Lien Waivers in Construction | Forms, Guides, & FAQs \(levelset.com\)](#)
- [The Ultimate Guide to California's 20-Day Preliminary Notice \(levelset.com\)](#)
- [Tracking Lien Waivers: Best Practices in Requesting & Collecting Waivers \(levelset.com\)](#)
- [How to complete a Conditional Waiver & Release on Progress Payment \(levelset.com\)](#)
- [California Lien Waiver and Release: Rules, Forms & FAQs | Levelset](#)





Thank You

Additional Questions?

Please submit project questions, concerns, and changes to the [BHCIP Support Desk](#). Your designated account success manager will respond to your query.