VyRal

A LeakReceipts Field Guide

LeakReceipts for Commercial Specialty Subcontractors

The Field Guide: where the money leaks, how to prove it, and how to close it

For: Commercial Specialty Subcontractor — Pay Application

by VyRal Dynasty

LeakReceipts for Commercial Specialty Subcontractors The Field Guide: where the money leaks, how to prove it, and how to close it

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How every number in this book is labeled.

- **VERIFIED** means the figure comes from a named, dated source, and the source is printed next to it.
- **CALCULATED** means it is arithmetic on verified numbers or on your own numbers, and the math is shown.
- **ESTIMATE** means a reasoned range, and it is always called one.
- **STRUCTURAL** marks a standing rule of the trade (a law, a contract term, how the paperwork works), not a market figure.
- **STILL BEING MEASURED** means VyRal has not verified a figure yet, so no number is printed.

If a number is not labeled, it is a blank for you to fill from your own paper.

What this book is not. This is education, not legal, tax, accounting or financial advice. Where a fix says a professional decides, a professional decides. Nothing here says that any company, customer or person did anything wrong. The fixes show you how to check your own paper and ask in writing.

About how this book was made. This book was assembled with AI from VyRal's sourced research on this trade and checked against those sources. AI can make mistakes. Before you act on a figure, check it against the source printed beside it. Rules and rates change, and every figure carries its date for that reason.

Before you share any document with anyone, Vera included, black out account numbers, Social Security numbers and anything else you would not hand a stranger.

Contents

1. The short answer for your trade
2. What people in your trade say hurts
3. Get your paper together
4. Leak 1: Federal Constructive-Change Notice Window
5. Leak 2: Federal Progress-Payment Clock & Retainage Cap
6. Leak 3: Miller Act Notice & Suit Deadlines (Federal Bond Claims)
7. Leak 4: Pride Economy — Trucks, Tools & Shop Equipment
8. Leak 5: Self-Employment Tax Boundary
9. Leak 6: State Mechanics-Lien Notice & Filing Deadlines
10. Leak 7: State Prompt-Pay Clock, Prime-to-Sub
11. Leak 8: State/Private Retainage Percentage & Release Timing
12. More leaks to check
13. Grow it: the next rung
14. The household side: TrueNET
15. Your 30-day leak plan
16. Take it into LeakReceipts
17. Sources
18. Your leak log

The short answer for your trade

If you're a specialty subcontractor — electrical, mechanical, plumbing, drywall, whatever the trade — sending pay applications up to a general contractor, your biggest leak usually isn't a bad rate. It's money you already earned that never made it onto the application at all: a signed change order still sitting outside the schedule of values, stored materials nobody billed, or retainage that's been sitting past your state's own release deadline while you assumed 'that's just how it works.'

Your leak map

Every leak this book covers, biggest first. The size grade is VyRal's research grade for how much money a leak tends to move in this trade. It is a grade, not a dollar figure. Your own paper sets the dollars.

#	Leak	Size grade	Evidence	Fixes
1	Federal Constructive-Change Notice Window	Major	VERIFIED	1
2	Federal Progress-Payment Clock & Retainage Cap	Major	VERIFIED	1
3	Miller Act Notice & Suit Deadlines (Federal Bond Claims)	Major	VERIFIED	1
4	Pride Economy — Trucks, Tools & Shop Equipment	Not graded	STRUCTURAL	1
5	Self-Employment Tax Boundary	Not graded	STRUCTURAL	1
6	State Mechanics-Lien Notice & Filing Deadlines	Major	STILL BEING MEASURED	1
7	State Prompt-Pay Clock, Prime-to-Sub	Major	STILL BEING MEASURED	1
8	State/Private Retainage Percentage & Release Timing	Major	STILL BEING MEASURED	1

Then there are 3 more leaks to check, each with its own fixes, in the chapter called More leaks to check.

What people in your trade say hurts

Before we built a single fix, we went and read what people in this trade say out loud: forums, trade press, regulators' complaint files and court records. These are the pains that kept coming up, the ones with the most sources first. If one of them is yours, you're not imagining it.

I trusted the promise to pay, missed a notice date, and lost my lien rights

My strongest leverage when I don't get paid is a lien or bond claim. Every state has strict preliminary-notice and filing clocks that run while I'm busy working. Miss one by a day and the right is gone, no matter how good my claim is.

Found in 4 public sources; newest dated 2026-09-04. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Days a month on pay apps and the GC's portal, and invoices still sit on hold

Every GC wants pay apps in its own format and portal, with lien waivers, certified payroll and backup attached. One missing document puts the whole invoice on hold. Some portals charge me, the sub, to submit, and support can be slow.

Found in 3 public sources; newest dated 2026-09-04. VERIFIED count from VyRal's public research log; the sources are listed at the back.

I'm told 'just do it, we'll paper it later,' then the extra work gets cut

The super tells me to do the extra work now and price it later, so I start before anything is signed. Weeks later the change order gets negotiated down or rejected, and I've already paid the labor and material. If I miss the contract's notice window, a good claim can die on paperwork.

Found in 3 public sources; newest dated 2026-09-18. VERIFIED count from VyRal's public research log; the sources are listed at the back.

The owner or GC went under, and I'm an unsecured creditor waiting in line

When an owner or GC fails, my unpaid billings and retainage get frozen in bankruptcy and I may recover pennies years later. Business bankruptcies are

rising, and the jobs most likely to fail are the ones already paying slowly. Without a bond, a timely lien or joint checks, I have no protection.

Found in 3 public sources; newest dated 2026-10-18. VERIFIED count from VyRal's public research log; the sources are listed at the back.

The schedule slipped a year, and my contract says I can't recover a dime

When the GC or other trades fall behind, my crew stands around, demobilizes, comes back, or gets crammed into a compressed schedule. The no-damages-for-delay clause I signed means courts often won't let me recover those costs, even when the job was just run badly.

Found in 3 public sources; newest dated 2026-09-18. VERIFIED count from VyRal's public research log; the sources are listed at the back.

I can owe tax on retainage and billings I haven't collected yet

Depending on my accounting method, I can owe tax on income still stuck in retainage or slow receivables. Contractors under the small-contractor threshold can often use the cash or completed-contract method, and some can exclude retainage until it is fixed. Many small subs never ask about either.

Found in 2 public sources; newest dated 2026-09-29. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Get your paper together

Every fix in this book starts with paper, not memory. Memory rounds in the other side's favor. Paper doesn't.

Pull the last 90 days. Put it all in one folder, paper or phone, and label each piece with its date. Black out account numbers and Social Security numbers before you share anything with anyone.

The paper that proves each leak:

- Your contracts, invoices, statements, pay records and the messages around them.

The records this trade runs on: Subcontract with exhibits, Schedule of values, Pay applications, Change orders and CO log, T&M tickets, Payment records, Retainage records, Back-charges, Notices and lien waivers, Closeout documents

My folder checklist

Last 90 days of statements or pay records _____

Every contract or agreement I work under _____

Every invoice, ticket or settlement for the same 90 days _____

The messages that changed a price, a scope or a date _____

Leak 1: Federal Constructive-Change Notice Window

Size grade: Major · Evidence: VERIFIED

What it is. On a federal contract, if the scope, timing, or cost of the work changes without a formal written change order, the contractor gets no price or time adjustment for costs incurred more than 20 days before it gives written notice of the change — and must assert the claim within 30 days after the contracting officer's notice.

Why it leaks. Crews keep working through a change because "someone told us to" or "the inspector wants it this way," and the paperwork trail that would have preserved the claim never starts — by the time someone bills for it, the 20-day lookback has already erased most of the value.

The number to hold it against. Federal contracts (prime contractor): no adjustment for costs incurred more than 20 days before the contractor's written notice of a change; the claim must be asserted within 30 days of a written change order or that notice. Source: FAR 52.243-4(d) and (e), acquisition.gov.

VERIFIED · Primary — government or regulator

> **Ask yourself:** When the scope changed on that job, did you put it in writing to the general contractor within the notice window your subcontract sets — or did you just keep working?

1. Extra work on a federal job done on a verbal order with no written change notice

Fix approved · leak evidence: Verified

Fix 1 — Do it yourself (free).

1. Today, list every piece of work on this job that someone told you to do that was not in your scope: what, who said it, the date it started.
2. Pull your subcontract and find its changes/notice clause — your subcontract usually sets its own (often shorter) deadline to notify your GC; that is the clock you answer to.
3. Send written notice to your GC for every open item now, and ask them in writing to pass it to the contracting officer. On a federal prime contract, costs from more than 20 days before written notice of an oral or informal change generally can't be adjusted (FAR 52.243-4(d)).

4. From the date of notice, keep a daily cost log for that item: crew hours, equipment, material, photos.
5. Within 30 days of your notice (or of a written change order), send the written statement of what the change is and roughly what it costs (FAR 52.243-4(e)).
6. Going forward: no extra work starts without a written direction or a same-day notice from you. If the item is already disputed, an attorney decides your next step.

Fix 2 — The words to send, under your own name. Fill in the brackets, keep a copy, and send it from your own email or by mail. Nobody sends it for you.

> Subject: Written Notice of Change — [PROJECT NAME], Subcontract [SUB #]
>
> To: [GC NAME], [GC COMPANY]
> Date: [DATE]
>
> This is my written notice of a change to my scope on [PROJECT NAME] (prime contract [CONTRACT #]).
>
> What was directed: [Describe the work]
> Who directed it: [NAME / TITLE — e.g. inspector, CO's representative, your superintendent]
> Date directed / date work started: [DATE] / [DATE]
> Why it is outside my scope: [SPEC SECTION / DRAWING / SUBCONTRACT LINE]
>
> I regard this direction as a change. I am tracking the labor, equipment and material it is costing from [DATE]. My written statement of the nature and estimated amount will follow by [DATE], or is attached.
>
> Please forward this notice to the Contracting Officer and confirm in writing that you have done so. Please also tell me in writing if you want me to stop this work until a change order is issued.
>
> [YOUR NAME]
> [YOUR COMPANY] — [PHONE] — [EMAIL]

Fix 3 — Done for you. **LeakReceipts · Claims & Disputes Desk**

WE DO: turn your field notes and photos into a dated change log, draft each written notice and the 30-day statement, and track the notice and assertion clocks for every open change on every job. YOU DO: review, sign and send each notice yourself, and decide whether to keep working, stop, or call an attorney.

Keep it closed. Read the changes/notice clause of every subcontract before mobilizing and put its deadline on your calendar. Rule on site: verbal direction = written notice the same day.

What this fix can't decide for you. Whether a direction legally counts as a change, and whether a late notice can still be recovered, is an attorney's call. A sub usually has no direct line to the contracting officer — the subcontract's flow-down and notice terms control what the sub must do and by when. We do not claim any amount is owed.

My receipt for this leak			
Owed by my paper	Paid or billed	Gap (CALCULATED: owed − paid)	Fix 2 sent · answer

FREE FIRST CHAPTER

That's Leak 1 of 8.

The full Field Guide for Commercial Specialty Subcontractors walks through every leak on the map you just read: why it happens, the paper that proves it, and three fixes for each one — one you do yourself for free, the words to send under your own name, and what LeakReceipts can do for you while the decision stays yours.

Get the full guide:
leakreceipts.com/ebooks/commercial-specialty-subcontractors

Run it on your own numbers:
leakreceipts.com

WE WALK BY FAITH NOT BY SIGHT — 2 Corinthians 5:7