

Project cancellation response guide

General information to help you organise your paperwork. Not legal advice.

Start here

Use this kit when your client cancels or terminates the project before it is finished.

Do these three things today

1. Confirm the cancellation in writing (Client Cancellation Confirmation): the date, what work stops and what happens to materials.
2. Stop new orders and limit further costs, and record what you did in the Mitigation of Loss Log.
3. Record completed work, materials and site condition before you leave (Completed Work Assessment and Site Condition Report).

Homeowner contracts have special cancellation rules in some provinces, notably Quebec. Check before you claim cancellation costs from a consumer.

What is in this kit

Document	Use it to
Project cancellation response guide	Start here: what to do when the client cancels the project.
Client cancellation confirmation	Confirm the cancellation in writing: date, stopped work and materials.
Termination clause review	Read your contract's termination and cancellation clauses.
Completed Work Assessment	Value the work completed up to cancellation.
Materials and Purchase Orders Register	List materials and purchase orders, and what can be returned or cancelled.
Subcontractor Commitments Tracker	Track commitments to subcontractors and how they are closed out.
Cancellation Cost Calculator	Add up cancellation costs, kept separate from completed work.
Mitigation of Loss Log	Record what you did to reduce further costs.
Project cancellation final account	Prepare the final account after cancellation.
Cancellation site condition and handover report	Record site condition and handover when you leave.
Final payment request after cancellation	Ask in writing for the final payment after cancellation.
Official sources by province and territory	Official consumer and court sources for cancellations.

Preserve the instruction and stabilize the project

Use this kit after a client asks to cancel some or all construction work. Record what was actually requested before treating the contract as ended. A request to pause, remove a scope item or negotiate an exit may have different consequences. Assign a project lead and legal reviewer; do not assume the full remaining contract price is recoverable.

- ☐ Save the original message and attachments with sender, authority and receipt time.
- ☐ Confirm the affected scope and proposed effective date in writing.
- ☐ Identify work already underway, imminent deliveries and protective tasks.
- ☐ Seek authorized instructions for pending orders before incurring avoidable commitments.
- ☐ Keep essential site protection and safety responsibilities assigned.
- ☐ Preserve photographs, measurements, timesheets, purchase orders and payment records.

Project lead and contact: _____

Unclear instruction to resolve: _____

Next decision and owner: _____

Build a nonduplicated account

Record	Measure	Exclude from duplicate claims
Completed work	Measured quantity and reviewed rate	Materials and labour already in that rate
Materials	Uninstalled committed items and recoveries	Installed items already in completed work
Trade commitments	Remaining evidenced exposure	Trade work already valued
Exit costs	Incremental supported costs	Costs already in another line
Mitigation	Returns resale avoided costs	Savings already netted in source totals

Fictional example: completed work is valued at CAD 4,000; that valuation already includes CAD 800 of installed materials. Do not add the CAD 800 again. An uninstalled order costing CAD 1,200 with a CAD 900 confirmed return credit leaves CAD 300 exposure for review, not automatic client liability.

- ☐ Use one stable item ID across registers and the final account.
- ☐ Separate actual evidence, estimates, disputed amounts and reviewed inclusions.
- ☐ Keep tax treatment and payment allocation consistent.
- ☐ Log attempts to return, redeploy or cancel commitments even when unsuccessful.

Review before settlement or demand

The calculators organize values and receipts. They do not decide cancellation validity, lost profit, penalties, deposit forfeiture or liability. A qualified reviewer must assess contract terms and mandatory law before a charge is presented as due.

- ☐ Record the reviewed basis for each included amount.
- ☐ Confirm any notice, refund or construction-rights deadline from an applicable source.
- ☐ Agree site access, property custody and continuing protective work.
- ☐ Issue a documented account with disputed items visible.
- ☐ Record any payment, refund and release separately; obtain review of settlement wording.

Unresolved legal question: _____

Reviewer and next action: _____

Final account version and dispatch authorization: _____

Jurisdiction-specific legal verification remains required. The directory is a limited research starting point and does not cover all Canadian jurisdictions.

Before you act: this document is general information prepared by ArtBuild to help you organise facts and paperwork. It is not legal advice and has not been reviewed by a lawyer for your situation. Rules differ by province and territory and change over time. Check the official source for your project, and for deadlines, liens, court or insolvency steps, speak with a lawyer licensed where the project is located.