

# Contract Writing Basics for CIDs

## Creating a California Interior Design Contract that Complies with BPC 5807

### For Certified Interior Designers

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#### Overview

Certified Interior Designers (CIDs) practicing in California must use a **written contract** before beginning any work. Written contracts may be **electronic or paper-based** and must be **signed by both the Certified Interior Designer and the client (or the client's representative)**.

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#### Part 1. When You Must Use a Written Contract

A written contract is required for **all paid interior design services**.

You may skip this requirement only if:

1. You will receive **no compensation** for the services; or
2. Your client is one of the following licensed professionals receiving your services directly:
  - o A **licensed architect** (BPC §5500 et seq.)
  - o A **licensed landscape architect** (BPC §5615 et seq.)
  - o A **licensed engineer** (BPC §6700 et seq.)

When in doubt, always use a contract! It protects both you and your client.

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#### Part 2. Required Content Under BPC 5807(a)

Each written contract must include **all seven elements** listed below.

Use clear section headings in your document so these items are easy to locate.

##### 1) Description of Services

Define your **scope of work** and deliverables.

- Divide the scope into project phases (e.g., Concept, Design Development, Procurement, Installation).
- List what you will do and what is excluded.
- Identify client responsibilities and items not covered (such as structural design or permitting).

##### Example:

“Designer will provide concept development, FF&E selection and specification, space planning, and procurement administration for the areas listed in Exhibit A. Designer will not provide architectural or engineering services. Services requiring licensed professionals will be coordinated by the client.”

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##### 2) Basis of Compensation and Method of Payment

Explain how you charge and how payment will be made.

- Identify your **fee structure** (hourly, flat fee, cost-plus, or percentage).

- Include **rates, deposits, payment schedules**, and any **reimbursable expenses**.
- Outline **invoicing frequency**, late fees, and accepted payment methods.

**Examples:**

- *Hourly*: “Principal 185/hr, Senior Designer 140/hr, Junior Designer 95/hr.”
- *Fixed Fee*: “18,500 total fee; 40% due upon signing, 40% at design presentation, 20% at final documentation.”
- *Cost-Plus*: “Client pays net cost plus a 25% procurement fee. Freight, taxes, and installation billed at actual cost.”

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### **3) Names and Addresses, Plus Your Certification Number**

Clearly identify both parties.

Include:

- Your **business name, address, email, phone**, and **Certified Interior Designer number**.
- The **client's name and address**, and the **project site address** (if different).

**Example:**

“Certified Interior Designer: Jane Baker, CID No. 0000, 123 Market Street, Sacramento, CA 95814, studio@example.com  
Client: John Smith, 456 Oak Lane, Davis, CA 95616  
Project Site: 789 River Road, Sacramento, CA 95818.”

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### **4) Procedure for Additional Services**

Define how new or changed work will be handled.

- Require **written approval** for any added service.
- Explain how costs are determined and authorized before work begins.

**Example:**

“Additional services require prior written approval via Change Authorization. Designer will provide a written description, estimated hours or fee, and schedule impact. Work will not proceed until signed authorization is received.”

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### **5) Procedure to Terminate the Contract**

Provide an exit plan for both parties.

- Allow either party to terminate with **written notice** (e.g., 7–14 days).
- State what fees remain payable: services rendered to date, reimbursable expenses, restocking or vendor cancellation charges.

**Example:**

“Either party may terminate this agreement upon 10 days’ written notice. Client will pay for services performed through the termination date and all related expenses. Designer will deliver all completed work upon receipt of final payment.”

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## 6) Three-Day Rescission Clause

Include a client's statutory right to cancel within **three business days**.

Make this clause **bold or boxed** near the signature area.

**Example:**

"Client may cancel this contract without penalty or obligation by delivering written notice within three (3) business days of signing or five (5) business days for a client who is a senior citizen (65 years or older). Send cancellation to the address or email in Section 3. Unused payments will be refunded within 10 business days."

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## 7) Disclosure of Errors and Omissions Insurance

State professional liability coverage.

**All self-employed Certified Interior Designers are required to carry Errors and Omissions (E&O) insurance.**

**Example:**

"The Certified Interior Designer carries professional liability Errors and Omissions insurance. Proof of coverage is available upon request."

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## Part 3. Recommended Additional Clauses

Include these optional but highly recommended clauses for protection:

- Project timeline and deliverables
- Client responsibilities
- Procurement and ownership of goods
- Intellectual property and document use
- Site conditions and third-party responsibilities
- Warranties and limitation of liability
- Dispute resolution and governing law
- Entire agreement and amendment procedure
- Electronic signatures and counterparts

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## Part 4. Construction and Formatting Tips

- Number each section and use clear headings for required elements.
- Write in plain language and short paragraphs.
- Place the **three-day rescission clause** prominently near the signature lines.
- Include signature and date lines for both parties.
- Retain signed contracts for **at least four years** (electronic or paper copies).
- Use a consistent structure and ensure each section is complete before execution.

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## Part 5. Compliance Checklist

Requirement	Included? Notes
Description of Services	<input type="checkbox"/>
Compensation & Payment Method	<input type="checkbox"/>
Names, Addresses, CID Number	<input type="checkbox"/>
Additional Services Procedure	<input type="checkbox"/>
Termination Procedure	<input type="checkbox"/>
Three-Day Rescission Clause	<input type="checkbox"/>
Errors & Omissions Disclosure (Insurance Required)	<input type="checkbox"/>
Signatures & Dates	<input type="checkbox"/>

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## Part 6. Recordkeeping and Electronic Contracting

- Keep a signed copy (digital or printed) of every contract and change order.
- Electronic contracts are valid under California law if completed through a **trusted e-sign platform** that records consent and timestamps.
- Store all project documentation securely for reference and compliance.

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## Part 7. Helpful References

- **California Business and Professions Code §5807**
- **California Civil Code §1688**
- **CCIDC Website:** [www.ccidc.org](http://www.ccidc.org)