

# Project Advance Payment Agreement

This Project Advance Payment Agreement ("Agreement") is made and entered into on **[Date]** by and between the following parties:

<b>Client Name:</b>	[Client Name]
<b>Client Address:</b>	[Client Address]
<b>Service Provider Name:</b>	[Service Provider Name]
<b>Service Provider Address:</b>	[Service Provider Address]
<b>Project Name:</b>	[Project Title/Description]

## 1. Purpose

The purpose of this Agreement is to set forth the terms and conditions under which the Client will provide the Service Provider with an advance payment for the initiation of the project described above.

## 2. Advance Payment Details

The Client agrees to pay the Service Provider an advance payment of **[Amount]** as a precondition for the commencement of the project. This advance payment will be made by **[Payment Method]** within **[Number]** business days upon signing this Agreement.

## 3. Application of Advance Payment

The advance payment shall be applied towards the total project fee as set out in the main project contract. Upon receipt of the advance, the Service Provider agrees to begin work on the project and provide regular progress updates.

## 4. Refund Policy

In the event of project cancellation by either party, refund of the advance payment shall be subject to the terms specified as follows:

- If cancellation occurs before project commencement, the full advance will be refunded minus applicable administrative fees.
- If cancellation occurs after commencement, the refund (if any) will be determined based on the value of work completed.

## 5. Other Terms & Conditions

Both parties agree to adhere to the timelines and deliverables as mutually agreed upon in the main project contract. Any modifications to this Agreement must be made in writing and signed by both parties.

## 6. Signature

**Client:**

Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**Service Provider:**

Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**Important Notes**

- Advance payment agreements help ensure mutual commitment before project commencement.
- Clearly define refund policies to avoid future disputes.
- Both parties should understand the application of the advance towards total project costs.
- Ensure that the agreement aligns with the terms in the main project contract.
- Both parties should retain a signed copy of this agreement for their records.