

Bonding Checklist

- ✓ **Financial Statements.** Financial Year-end Statements for the past three years should be prepared by an independent CPA. A bonding company prefers to have the most recent on a "Review" basis using the percentage of completion method of accounting. It should include full schedules of jobs in progress, completed jobs, and aging of accounts receivable and accounts payable. If this is a new contractor, or first time for a bond, then a CPA "compilation" is frequently acceptable.

*If not included in the FYE statement, provide us with a schedule, as of the FYE, of jobs completed during the year, showing final contract price and final gross profit.

- ✓ **Current Personal Financial Statements** on the principals and their spouses.
- ✓ **Contractor's Questionnaire.** The attached form contains vital background information that a company requires in reviewing an account.
- ✓ **Bank Reference.** Please provide us with a copy of the current bank line of credit letter. If one is not established, a contractor should talk to their banker regarding this.
- ✓ **Current work in progress** – Enclosed is a "Status of Contracts" form. This needs to be completed so that the surety can accurately analyze the profitability of the current work on hand. If this information is available on your own form, please provide us with a copy.
- ✓ **Copy of Current Insurance Certificate,** if not a current HMS account.
- ✓ **Six month interim financial statement** (if available), if year-end is more than six months ago.
- ✓ **Other Optional Background Information:**
 - Key People Resumes
 - Organizational Chart
 - Letters of Recommendation from clients, suppliers, etc.
 - Buy-Sell Agreement or other succession plan which provides continuity upon death or disability of the owner.