



**Board for Licensing Contractors**  
**500 James Robertson Parkway**  
**Nashville, TN 37243**

Tel: 615-741-8307  
 Fax: 615-532-2868

**License Status:**  
<http://www.verify.tn.gov/>

**Website:**  
<https://www.tn.gov/commerce/regboards.html>

**Save Time and Renew Online!**

<http://core.tn.gov/>

- Answer renewal questions online (notary not needed)
- Attach scanned financial statement and insurance
- Fee may be paid online by credit/debit card
- Renewals received online take less time to process; paper renewals received by mail, please allow up to 30 days for processing.

**License #, Zip Code and "Indv/Org#" is needed to register for an online account and this is located on the "Notice of Renewal" sent by mail, however, you may request at:**

**Email:** [Contractors.Home-Improvement@tn.gov](mailto:Contractors.Home-Improvement@tn.gov)

FOR OFFICE USE ONLY	
PROF:	<u>1801- Contractor</u>
XACT:	<u>2010 - Renewal</u>
LICENSE ID#	_____
ENTITY #	_____
PAID \$	_____

**Contractor's License Renewal**

**FEES PAYABLE TO: "STATE OF TENNESSEE"**

**Renewal Fee**                    **\$200.00**  
**Monthly Late Fee**           **\*\$20.00**

\*Cannot renew once expired over 12 months and must reinstate through new application process.

**DO NOT USE THIS FORM FOR THE FOLLOWING:**

- Retirement    ▪ Qualifying Agent (QA) Change
- License Revision (Class / Limit / Name / Mode)
- Change of Ownership

\*Go to ["Licensee/Applicant Resources"](#) on our website's "Forms and Downloads" for further information.

**1. CONTACT & LICENSE INFORMATION**                    **ADDRESS CHANGE:**     No     \*Yes – Make changes below or online

CONTRACTOR'S LICENSE ID# 000                    EXPIRATION: \_\_\_\_/\_\_\_\_/\_\_\_\_                     - RETIRED (Reinstate to Active)

NAME AS LICENSED: \_\_\_\_\_

\*ADDRESS: \_\_\_\_\_

TEL: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_    FAX: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_    EMAIL: \_\_\_\_\_

MONETARY LIMIT: \$ \_\_\_\_\_

Financial Statement must be attached and support limit!  
 Must be "Reviewed" from CPA, unless, monetary limit is \$3,000,000 or less.

**2. MODE OF OPERATION**                     Sole Proprietor     \*Corporation - TN SOS Control \_\_\_\_\_  
 (As currently licensed)                     Partnership                     \*LLC - TN SOS Control # \_\_\_\_\_

\*Attach proof of "Active" status from Tennessee Secretary of State (SOS) for Corporations/LLC's available at: <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>

**3. QUALIFYING AGENT (QA):** List individual(s) tested / designated and approved by the Board:                    **Ownership**

Qualifying Agent's Name _____	Title _____	XXX-XX-_____ SSN (List last 4 digits of SS#)	_____%
Qualifying Agent's Name _____	Title _____	XXX-XX-_____ SSN (List last 4 digits of SS#)	_____%

**4. LIST OWNERS / OFFICERS / PARTNERS / MEMBERS**                     - Same as above                    **Ownership**

Name of Owner/Officer/Member/Partner _____	Title _____	XXX-XX-_____ SSN (List last 4 digits of SS# for identification purposes)	_____%
Name of Owner/Officer/Member/Partner _____	Title _____	XXX-XX-_____ SSN (List last 4 digits of SS# for identification purposes)	_____%
Name of Owner/Officer/Member/Partner _____	Title _____	XXX-XX-_____ SSN (List last 4 digits of SS# for identification purposes)	_____%
Name of Owner/Officer/Member/Partner _____	Title _____	XXX-XX-_____ SSN (List last 4 digits of SS# for identification purposes)	_____%

**5. ENVIRONMENTAL CONTRACTORS:** Compliance with Rule 0680-01-.16, Specialty/Environmental (2), keep abreast of all applicable state and federal requirements. In addition, the Board must be notified within 10 days of any citation lodged against it or your employees. Applies to "Environmental Specialty" classifications: S-A,B,C,D,E; and S-Medical Gas.  
 Not Applicable    Yes – In Compliance    No – Not in compliance (Must provide disclosure with explanation)

**6. INSURANCE REQUIREMENTS: Must attach Certificate of Insurance (COI) at time of renewal.** COI sent from the insurance company does not get matched to pending renewals due to the volume received daily for updates and cancellations. **Note: Licensee must include COI with their renewal application and financial statement or renewal cannot be processed.**

**6A. Workers' Compensation (WC) – Must attach ONE of the following UNLESS EXEMPT from WC coverage:**

- WC Certificate of Insurance – Attached with Certificate Holder listed as "Tennessee Board for Licensing Contractors"
- Owners/officers are registered for an exemption as a "Construction Services Provider"- Attached copy of registration(s).
- Exempt (Handyman Exemption) due to the following: •No Employee(s) • Not a Corporation •Does Not Hire Subcontractors •Works Directly for the Owner •Qualifying Agent is a majority owner

An employer and their employee(s) must be covered in accordance with Tennessee law. Please check with the Department of Labor & Workforce Development at: <https://www.tn.gov/workforce/injuries-at-work/employers/employers/who-must-carry-insurance.html>  
 An employer (owners/officers) has the option to register themselves for an exemption as a "Construction Services Provider" at the Tennessee Secretary of State WC Exemption Registry at: <https://tnbear.tn.gov/wc/>

**6B. General Liability - Must attach Certificate of Insurance (COI) in the Board's required format and coverage**

- General Liability COI attached in the Board's format as follows:**  
 Minimum Coverage based on monetary limit: Up to \$500,000 = \$100,000 minimum coverage; Up to \$1,500,000 = \$500,000 minimum coverage; and \$1,500,001 to Unlimited = \$1,000,000 minimum coverage.  
 The "Certificate Holder" must be listed as the "Tennessee Board for Licensing Contractors"
- General Liability COI not attached or in correct format, license cannot be renewed**

For more information relative to insurance, go to:

[https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContInsuranceInfo\\_001.pdf](https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContInsuranceInfo_001.pdf)

**7. DISCLOSURES – CONVICTIONS / DISCIPLINE / JUDGMENTS / COMPLAINTS:** Must disclose contractor's owners, qualifying agents or officers on license of any felony conviction; unpaid court judgments from contracting; discipline from any governmental agency; or an unresolved complaint matter with the Board. If you have disclosed earlier at the time of originally obtaining a license or on a past renewal, you will not be required to attach court documents. Disclosure does not prevent a license from being renewed. However, failure to disclose is grounds for disciplinary action including revocation.

**7A. Convicted of a Felony:**       No       Yes – Date \_\_\_\_\_       Attachment Included       Disclosed Previously

**7B. Judgment/Discipline/Complaints:**  No       Yes – Date \_\_\_\_\_       Attachment Included       Disclosed Previously

**8. FINANCIAL STATEMENT:** Must attach current statement in the exact name and mode of operation as licensed. (See pages 3 – 4)

- Self-Prepared or Compiled Financial Statement is attached (*Monetary limit is \$3,000,000 or less*)
- Reviewed or Audited Financial Statement from a properly licensed CPA is attached (*Required if monetary limit is \$3,000,001 – Unlimited*)

**9. PLEASE COMPLETE, SIGN AND NOTARIZE** (*attach proof of insurance, financial statement and fee*)  
 This is to certify, I am an owner/officer or authorized to renew license and that all owners/officers/partners/members are aware of the following: •All information, statement responses and attachments, including financial statement(s) for the licensed entity is true and correct to the best of my knowledge •The required workers' compensation and general liability insurance is maintained as required by law and attached to fulfill renewal requirements •The attached financial statement must support the monetary limit in order for the license to be renewed •Pursuant to TCA §62-6-118, grounds for formal action by the Board after a notice of hearing and charges include, but are not limited to, any untrue statements or pursuant TCA §56-1-313, discipline from another state agency •Check the Board's website for changes in the statute, rules and regulations. **Renewals submitted without required insurance, financial statement, and active corporate/LLC entity will not be renewed; license will remain expired. After 12 months, must apply through new application process to reinstate. If unable to renew, may place license in inactive (retirement) status by completing retirement application.**

**X** \_\_\_\_\_  
 (OWNER/OFFICER/PARTNER/MEMBER SIGNATURE) (TITLE)  FEIN# or  SS# (last 4 digits)

Affirmed, subscribed and witnessed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
 (Day) (Month) (Year)

**X** \_\_\_\_\_  
 (NOTARY PUBLIC SIGNATURE) (COMMISSION EXPIRATION DATE) *Notary Seal*

# FINANCIAL STATEMENT - CONTRACTOR'S BALANCE SHEET

License #: 000 \_\_\_\_\_

1. License Name: \_\_\_\_\_
2. Mode of Operation:     Sole Proprietor     Corporation     LLC     Partnership
3. Date of Statement:                      **Month**                      **Day**                      **Year**

CURRENT ASSETS		Dollars Only	
	Cash on hand and in the Bank		
	Accounts Receivable (Within 1 year)		
	Trade		
	Other: (Itemize)		
	Costs in excess of billings on uncompleted contracts		
	Marketable Securities, Stocks, and Bonds		
	Inventories- Materials or Houses Built or Developed Lots for Sale		
	Retirement Plans (IRA; 401K; Profit Sharing) [Generally Only for Personal Financials]		
	Cash Surrender Value of Life Insurance (Not Face Value) [May be required to supply documentation]		
	Prepaid Expenses (Insurance, Taxes, Interest, Rents, Other)		
	Other: (Itemize)		
<b>A</b>	<b>Total Current Assets</b>		
NON-CURRENT ASSETS			
	Accounts Receivable (amounts not due within 1 year)		
	Related Party / Inter-Company Receivables		
	Employee Receivables		
	Long Term Investments		
	Land		
	Depreciable Assets		
	Buildings		
	Equipment & Tools		
	Vehicles		
	Other: (Itemize)		
	<b>Total Non-Current Assets</b>		
<b>B</b>	<b>Total Assets</b>		
CURRENT LIABILITIES			
	Credit Cards (Balance)		
	Accounts Payable (Amount Due Within 1 Year)		
	Accrued Salaries and Wages		
	Billings in excess of costs (uncompleted contracts)		
	Equipment Encumbrances (Amount Due Within 1 year)		
	Real Estate Encumbrances (Amount Due Within 1 year)		
	Line of Credit (Balance)		
	Other: (Itemize)		
<b>C</b>	<b>Total Current Liabilities</b>		
LONG TERM LIABILITIES			
	Accounts Payable (Amount Due After 1 Year)		
	Equipment Encumbrances (Amount Due After 1 year)		
	Real Estate Encumbrances (Amount Due After 1 year)		
	Stockholder / Related Party/ Inter-Company Payable		
	Other: (Itemize)		
<b>D</b>	<b>Total Liabilities</b>		
<b>E</b>	<b>Net Worth</b>	<i>(Total Assets minus Total Liabilities = Net Worth)( B – D )</i>	
	<b>Total Liabilities and Net Worth</b>		

Formula: Working Capital: A – C = \$ \_\_\_\_\_; Net Worth: B – D = \$ \_\_\_\_\_;  
*Same as "E"*

## Financial Statement Resource

In order to renew, licensee must provide a current financial statement in the exact name as licensed with assets and liabilities (current and long term) of the licensed entity (company holding the license; should not contain personal assets or liabilities. Line of Credit in the Board's format may be used to supplement working capital or may provide a personal guaranty to supplement both working capital and net worth.

- **Self-prepared** financial statement (may use page 3) for those with a monetary **limit up to \$3,000,000**.
- **Reviewed or Audited** financial statement by an actively licensed CPA is required if your monetary limit is **over \$3,000,001 to Unlimited**.
  - CPA Financial Statement must be on GAAP basis; OCMOA financials are not accepted. The Reviewed Financial Statement must contain a signed report page, balance sheet and full disclosure notes. Current financial statement should not be older than 12 months (unless written notification of year-end statement delay and must provide most current reviewed or audited financial statement available with written explanation).
  - If your company is a **subsidiary of another company** and the **parent company** is providing their financial statement, an indemnity, such as a Guaranty Agreement or Bond in the Board's format is required.
    - Supplemental financial statements, such as personal, may be provided with a Guaranty Agreement to supplement both Working Capital and Net Worth; Line of Credit in Board's format may supplement Working Capital, only.
    - More information and Line of Credit forms are at:  
<https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContBLC-GuarantyAgreementPolicy.pdf>

### **Monetary Limit Calculation**

- 10 times the lesser of total Working Capital and total Net Worth.
  - Working Capital = Total Current Assets minus Total Current Liabilities
  - Net Worth = Total Assets minus Total Liabilities
    - Example: Monetary limit of \$1,000,000 - Must show both Working Capital and Net Worth of at least \$100,000
    - Unlimited – Requires a minimum of \$300,000 in both Working Capital and Net Worth

## **GUIDE TO CLASSIFYING ASSETS AND LIABILITIES**

**CURRENT ASSETS** are cash and those assets that are reasonably expected to be realized in cash or sold or consumed **within one year** or within a business's normal operating cycle if it is longer. Generally, current assets include the following:

- Cash and cash equivalents available for current operations
- Marketable securities representing the investment of cash available for current operations, including investments in debt and equity securities classified as trading securities.
- Costs in excess of billings
- Inventories (to include materials and/or houses built for sale). Also, developed lots for sale. Raw, undeveloped land is not a current asset.
- Retirement Plans, specifically an IRA, 401K and Profit Sharing, will be allowed at 50% (**Personal IRA's not allowed on Company Financial Statement**)
- Cash surrender value of **Life Insurance** policies (Not face value of life insurance); **must attach proof** with personal statements, if not prepared by a CPA, if this amount impacts the working capital more than 50%
- Trade accounts receivable, notes and other receivables that are expected to be collected within one year
- Prepaid expenses such as insurance, interest, rents, taxes, etc.

The following are **not current assets** since they generally are not expected to be converted into cash within one year:

- Related party or owners receivables (not allowed as a current asset)
- Cash restricted for special purposes (Restricted cash may be classified as a current asset if it is considered to offset maturing debt that has been properly classified as a current liability, however.)
- Long term investments
- Receivables not expected to be collected within one year
- Land and other natural resources
- Depreciable assets (buildings, equipment, tools, etc.)
- Prepayments or deferred charges that will not be charged to operations within one year
- \*Notes receivables from stockholders (related parties)

\*Related Party Receivables (owner, stockholder, etc.) – may only be accepted as a current asset if the related party submits a guaranty agreement and a financial statement which shows they have the ability to pay the receivable within a year.

**CURRENT LIABILITIES** are obligations whose liquidation is reasonably expected to require (a) the use of current assets or (b) the creation of the other current liabilities. Generally, current liabilities include the following:

- Line of Credit balances and credit card balances
- Payables for materials and supplies
- Amounts collected before goods or services are delivered (billings in excess of costs)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- Other obligations, **including portions of long-term obligations**, expected to be liquidated within one year\*

Current liabilities do not include long term notes, bonds and obligations that will not be paid out of current assets. If listing a long term liability you should classify the portion of the liability that is due within one year as a current liability. If no current portion of the liability is listed, then our auditor may only use a percentage of the liability to be classified as current for the purpose of determining the working capital.

# CONTRACTOR'S LICENSE RENEWAL CHECK-LIST

## Online

Save Time, Renew Online! <https://www.tn.gov/commerce/online-licensing-notice.html>

1. License #, Zip Code and "Indiv/Org" number is needed to register for an online account and this is available on the notice to renew or you may request it by email to: [Contractors.Home-Improvement@tn.gov](mailto:Contractors.Home-Improvement@tn.gov) or call (615) 741-8307.
2. Fee - \$200 - Pay with credit or debit card or e-check; complete online renewal form (no notary required)
3. Scan and Attach - Certificates of Insurance (COI) and Financial Statement (F/S) and Corporate/LLC Status. May use page three (3) of paper renewal or own F/S format. Licensees with a limit of \$3,000,001 or more must attach their Reviewed CPA financial statement. More instructions available on "Section 2-Contractor Renewal & Retirement" at: <https://www.tn.gov/commerce/regboards/contractors/licensee-applicant-resources/forms-and-downloads.html>
4. License Certificate - May print from online license account once issued and will also receive in the mail. Check status at <http://www.verify.tn.gov/>

## Renew by Mail

1. \_\_\_\_\_ FEES AND MAILING (Allow 7 to 10 Business Days for Mail Delivery)
  - \_\_\_ ♦Renewal Fee: \$200 for a two (2) year period (do not send cash)
  - \_\_\_ ♦Late Fees: \$20 per month (up to 12 months) (beginning the day after expiration date)
  - \_\_\_ ♦Expired 12 months or more; cannot renew and must complete new application for reinstatement.
  - \_\_\_ ♦Mail to Board's mailing address as listed on page one (1) (state mail may take 7-10 days)
  - \_\_\_ ♦Include change of address on page one (1) or use "Online Licensing System" above
  - \_\_\_ ♦Renewals processed in order of receipt; please allow up to 30 days for processing; or use the "Online Licensing System" for quicker service.
2. \_\_\_\_\_ CONTRACTOR'S QUESTIONS AND AFFIDAVIT (See pages 1 & 2)
  - \_\_\_ ♦Answer questions on page 1 and 2; renewal must be signed, dated and notarized with a visible Notary seal (online renewal attestation does not require a notary)
  - \_\_\_ ♦Corporations and LLC's - Ensure active status with the Secretary of State. Confirm at: <http://tnbear.tn.gov/Ecommerce/FilingSearch.aspx> (attach a copy showing "Active")
  - \_\_\_ ♦Changes, such as ownership or mode of operation, see "Forms & Downloads" on website
3. \_\_\_\_\_ ATTACH A CURRENT FINANCIAL STATEMENT (F/S) (See page 3)
  - \_\_\_ ♦Monetary Limit is **\$3,000,000 or less** - May use page 3 or your own self-prepared Balance Sheet
  - \_\_\_ ♦Financial Statement must be in the **exact name as licensed**
  - \_\_\_ ♦Financial statement should have a date which includes the **month, day, and year.**
  - \_\_\_ ♦If utilizing more than 50% of life insurance's cash value, must supply documentation.
  - \_\_\_ ♦Guaranty Agreement or Indemnity attached by entities using a parent or personal company F/S
  - \_\_\_ ♦A Financial Statement is required for all renewals except "Spec Builder" licenses (Spec licensee's certificate will state "Spec Builder" and not "Contractor" with \$350,000 limit)
  - \_\_\_ ♦Monetary Limit is **over \$3,000,001 to Unlimited**, must attach a "Reviewed" Financial Statement (an Audit is also acceptable, but not required) with the following:
    - ✓ Accountant's report, opinion letter, balance sheet, and notes to financial statement (helpful to have the CPA's State Accountancy License ID# included)
    - ✓ If the corporate "year-end" does not coincide with license expiration and older than 12 months (not current), then include a copy of prior year's F/S statement with a letter requesting to utilize until current is available with an approximate date.
5. \_\_\_\_\_ ATTACH PROOF OF INSURANCE (GL AND WC) (Do not rely on insurance company's sent copy due to volume received)
  - \_\_\_ ♦General Liability (GL) - Attach a "Certificate of Insurance" (COI) to the renewal
  - \_\_\_ ♦Workers' Compensation (WC) - Attach a "Certificate of Insurance" (COI) or attach proof of registration for exemption as a "Construction Services Provider" (CSP), unless claiming "Handyman" exemption.
6. \_\_\_\_\_ ATTACHMENTS CHECKLIST
  - \_\_\_ ♦ Financial Statement;     \_\_\_ ♦Certificate of Insurance (COI)-GL;     \_\_\_ ♦ WC COI or CSP Exemption;
  - \_\_\_ ♦Corporate/LLC Active Status (Corporations & LLCs);     \_\_\_ ♦Fee;     \_\_\_ ♦ Disclosures (if applicable)

To place a license in Retirement (inactive status), go to:

<https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContLicenseRETIREMENT.pdf>

Check for updated license status at: <http://verify.tn.gov>