



## North Carolina Licensing Board For General Contractors

- Licensure Application Form with Attachments
- Application Instructions
- Examination Information

# Application for License to Practice General Contracting in the State of North Carolina

## Application Process

1. The applicant completes the Application for License to Practice General Contracting in the State of North Carolina and submits the application to the Board.
2. The Board's staff will review applications for completeness and compliance with licensing requirements. This process can take between 2 and 3 weeks.
3. If corrections or more information is required, the Board's staff will contact the applicant using the contact information provided in the application. Email is the preferred method of communication and for submission of corrections.
4. When an application meets all necessary requirements and an exam is required, the exam candidate(s) will be mailed an exam eligibility letter. If a required exam has already been completed, the application will proceed to step 6.
5. The candidate will schedule and take his/her exam with the exam vendor.
6. After exam(s) have been successfully completed, the information will be forwarded to the members of the Licensing Board for final review and approval. Lists for final review and approval are typically sent to the Board members twice a month.
7. Once the Board gives final approval, the license is granted and assigned a license number.

## Public Records

Information submitted with any application may be considered a public record as defined under N.C.G.S. §132-1 et. seq. and may be subject to disclosure to the public upon request.

As per N.C.G.S. §93B-14, every occupational licensing board shall require applicants for licensure to provide to the Board the applicant's social security number. This information shall be treated as confidential and may be released only to the governmental agencies listed in N.C.G.S. §93B-14.

## Licensing Information

- A North Carolina General Contractors License is required by those who plan to bid upon, construct, superintend or manage the construction of any building, highway, public utilities, grading or improvement of a structure costing \$30,000 or more.
- General contractors licenses can be issued to an individual, sole proprietor, partnership, corporation, LLC, or LLP. The license is only valid for the entity to which the license is granted. A licensed entity cannot allow an unlicensed contractor to use their license.
- **Secretary of State Registration:** Companies applying for a license must be properly registered to conduct business in North Carolina. Copies of the Articles of Organization, Articles of Incorporation, or Certificate of Authority are required.
- **Limitation and Classification:** Licenses have a limitation and a classification. The limitation is based on the financial information demonstrated and determines the dollar size of the projects for which the license is valid. Classifications are based on the exams completed and determines the type of work for which the license is valid.
- **Qualifiers:** Qualifiers are the individuals who pass the exams on behalf of a license. Qualifiers are not license holders unless the license is applied for and granted to the individual.
- **Renewal:** All licenses expire on January 1 each year and go invalid 60 days after expiration. The license renewal process begins in October of each year. There is a \$10 per month penalty fee required for any renewal applications filed on or after January 1 of each year.

## Limitations

- Limited License: Valid for individual projects up to \$500,000 each.
  - Requires \$17,000 Working Capital, or \$80,000 Net Worth, or a \$175,000 Surety Bond
- Intermediate License: Valid for individual projects up to \$1,000,000 each.
  - Requires \$75,000 Working Capital demonstrated by an Agreed-Upon Procedure Report, or an AUDITED Financial statement, or a \$500,000 Surety Bond
- Unlimited License: Valid for individual projects of any size.
  - Requires \$150,000 Working capital demonstrated by an Agreed-Upon Procedure Report, an AUDITED financial statement, or a \$1,000,000 Surety Bond.

## Qualifiers and Classifications

- Qualifiers are defined as responsible managing employees, officers, or members of the personnel who have passed the necessary exams on behalf of a license. Responsible managing employees and members of the personnel must be W-2 employees. Consultants or independent contractors cannot be used as qualifiers. Please review the *Laws and Regulations* packet NCGS §87-10 and NCAC Title 21 Chapter 12.0205 for more information.
- The license classification is determined by the exams completed by the qualifier(s).
- Each classification of license has its own exam. Classifications and their scope of work is defined in 21 NCAC 12.0202. Please review the *Laws and Regulations* packet for the complete list. [www.nclbhc.org](http://www.nclbhc.org).
- A license can have more than one qualifier.
- Qualifiers are not license holders unless they apply for and have a license granted to the individual.
- If a qualifier leaves the license, BOTH the qualifier and the licensee are required to inform the Licensing Board within 10 days. A license will go invalid 90 days after the departure unless another qualifier is on the license.

## Exam Information

- **Taking North Carolina Exams:**
  - Exams are currently administered by the exam vendor PSI. [www.psiexams.com](http://www.psiexams.com).
  - Exams can be completed by an individual meeting the requirements to be a qualifier on the license.
  - For information about specific exams and materials please review the *Candidate Information Bulletin* available on our website [www.nclbhc.org](http://www.nclbhc.org) under the examinations section.
  - Exam eligibility letters for new license applicants are issued only after a completed new license application has been submitted.
  - The North Carolina Licensing Board for General Contractors is not affiliated with and does not sponsor, approve or recommend any individuals, business, technical schools, or community colleges offering courses for exam preparation.
- **Exam Transfer:**
  - If someone has already completed the North Carolina or NASCLA exam, are on or have been on an active license within the last 4 years, they may be capable of transferring their existing exam(s).
  - To transfer an exam, the Examination Transfer Authorization included in the back of the application must be submitted with the completed application.
  - Exams expire after 4 years of not being associated with an active license. After 4 years of inactivity, examinations can no longer be transferred.
- **Exam Waiver:**
  - If someone has passed exams in South Carolina, Tennessee, Louisiana, Mississippi, or Georgia they may qualify for the exam waiver. See the exam waiver section of the instructions.
  - The applicant for license must have the respective State Board complete the Examination Waiver form included in the back of the application.
- **Exam Failure:**
  - If the perspective qualifier fails the exam the first time, the Board will send paperwork that must be submitted to receive an eligibility letter.
  - If the perspective qualifier fails the exam a second time and no other qualifiers have passed the exam, a new license application is required.

## Financial Statements

To qualify for a license, the applicant must meet a financial requirement as defined in NCAC title 21 chapter 12.0204. Please review the *Laws and Regulations* packet for further information.

- Financial statements shall be no older than 12 months from the date of submission.
- Financial statements shall be prepared in conformity with generally accepted accounting principles (GAAP).
- Financial statements must be in the name of the applicant.
  - Consolidated financial statements of affiliated corporations are not accepted unless the statement provides a breakout for the financial statements of the affiliated entities.
  - Financial statements with subsidiaries cannot be accepted unless the entity applying is the parent company or the financial statement provides a breakout financial statement of the subsidiaries.
- Applicants must meet a working capital or net worth requirement based on the limitation of license. (Working Capital = Total Current Assets – Total Current Liabilities; Net Worth = Total Assets – Total Liabilities)
  - Limited License: \$17,000 working capital or \$80,000 net worth.
  - Intermediate License: \$75,000 working capital. Agreed-upon Procedure Report or audit REQUIRED.
  - Unlimited Limitation: \$150,000 working capital. Agreed-upon Procedure Report or audit REQUIRED.
- **Bankruptcy:** If the applicant or any owner, principal, or qualifier is in bankruptcy or have been in bankruptcy within five years prior to filing the application, an Agreed-Upon Procedure Report or AUDITED financial statement is required. This requirement shall not apply to shareholders of an applicant that is a publicly traded corporation.
- **Agreed-Upon Procedure Report:** An Agreed-Upon Procedure Report must be performed by a certified public accountant or an independent accountant engaged in the public practice of accountancy using the form provided by the Board. (Form included at end of packet)
- **Audits:** Audited financial statements must be performed by a certified public accountant or an independent accountant engaged in the public practice of accountancy. Audits must include an unqualified opinion, classified balance sheet, and notes to the financial statement. Reviewed financial statements and compilation reports cannot be accepted.

## Surety Bonds

In lieu of demonstrating the level of working capital as required, an applicant may obtain a surety bond. Surety bonds must meet the following requirements.

- Be provided by a surety authorized to transact surety business North Carolina.
- The surety provider shall maintain an AM Best rating of Superior (A++ or A+) or Excellent (A or A-)
- The bond shall be continuous and maintained for as long as the applicant maintains the license. If the bond is cancelled, the license will go invalid after 30 days unless an Agreed-Upon Procedure Report, an audit or a bond is submitted.
- List the State of North Carolina as the obligee.
- Be for the Benefit of any person who is damaged by an act or omission of the applicant constituting a breach of construction contract, breach of a contract for the furnishing of labor, materials, or professional services to be undertaken by the applicant, or by an unlawful act or omission of the applicant in the performance of a construction contract.
- Be for the following amounts based on limitation.
  - Limited: \$175,000
  - Intermediate: \$500,000
  - Unlimited: \$1,000,000

## Fees

- New license application fees are based on the limitation of license being sought.
  - Limited: \$75
  - Intermediate: \$100
  - Unlimited: \$125
- Fees submitted to the Board are nonrefundable.
- A bad check incurs an additional penalty fee of \$25. In the case of a bad check, licenses will not be granted or will be made invalid until proper payment is resolved.

## NASCLA Exam Information

If any responsible managing employee, officer, or member of the personnel of the applicant has passed the NASCLA Accredited Building exam **AND is not already currently qualifying an existing North Carolina license**, the items listed below are required to be submitted with the completed application:

1. Copy of the exam result letter the examinee received from the testing vendor on the day the candidate passed the exam.
2. Proof that the transcript for North Carolina has been ordered.
3. A copy of the applicant's license in **ALL** other states that the NASCLA Accredited Building exam is being used as an exam credential. (if applicable)

A NASCLA examination credential shall not be considered valid if four years has lapsed and the examinee HAS NOT served as a qualifier for an active license in any state. When the examinee HAS NOT served as a qualifier for an active license within the last four years, the examinee shall fulfill all requirements of a new applicant.

For more information visit the (NASCLA) National Association of State Contractors Licensing Agencies' website at <http://www.nascla.org>

## Exam Waiver Information

To Qualify for the Exam Waiver Agreement, you must:

- Have completed the proper exams in South Carolina, Tennessee, Louisiana, Mississippi or Georgia. (see below)
- Have an active license in the state whose examination you are using.
- Have the respective state board complete the Examination Waiver form in the application.

**South Carolina:** Those who hold the following classifications with the South Carolina Residential Homebuilders Commission or the South Carolina General Contractors Licensing Board and completed the respective boards' examinations qualify for the examination waiver agreement:

- Residential contractor
- Building contractor
- PU(Water and Sewer Lines)
- PU(Water Purification and Sewage Disposal)
- H(Grading and Excavating)
- S (Roofing)

**Tennessee:** Those that hold the following licenses with the Tennessee Board for Licensing Contractors and have completed the Tennessee Examinations will qualify for the following examination waivers.

- "BC-A Residential Contractor" (Tennessee) for "Residential Contractor" (North Carolina)
- "BC-B Commercial Contractor" (Tennessee) for "Building Contractor" (North Carolina)
- "BC-A,B Combined-Residential/Commercial Contractor" (Tennessee) for "Building Contractor" (North Carolina)

**Louisiana:** Those who hold a license with the Louisiana State Licensing Board for General Contractors and have completed the respective examination in the classification for Building Contractor qualify for the examination waiver.

- Building Contractor

**Mississippi:** Those who hold a license with the Mississippi State Board of Contractors and have completed a Mississippi examination for one the following classifications:

- Commercial Building Construction
- Residential Building
- Concrete
- Grading and Excavating,
- Roofing,
- Swimming Pools
- Water Lines and Sewer

**Georgia:** The Georgia Board of Residential and General Contractors currently requires the NASCLA Accredited Building Examination for licensure. Please comply with the necessary requirements for submitting an application using the NASCLA examination. If/When Georgia implements a State Building examination, then the examination will qualify for the waiver agreement.

## **PUNISHMENTS**

Penalties for giving false information can include suspension or revocation of license. (N.C.G.S. §87-13)

Once licensed, an applicant may be disciplined by sanctions such as license revocation or revocation of the qualifier's credentials for failure to comply with the applicable portions of the code and/or the laws and regulations pertaining to the practice of general contracting.

### **MOST COMMON ERRORS ON NEW APPLICATIONS**

1. Name of the Applicant. The applicant should be whichever entity plans on conducting General Contracting. If you are wanting to operate as a company, the company is the applicant.
2. Compilation and review statements cannot be accepted for licenses applying for the Intermediate and Unlimited limitations. Applications seeking Intermediate and Unlimited limitations must provide an Agreed-Upon Procedure Report or AUDITED financial statement.
3. Application does not meet required working capital or net worth.
  - Limited License: Requires \$17,000 Working Capital, or \$80,000 Net Worth, or a \$1750,000 Surety Bond
  - Intermediate License: Requires \$75,000 Working Capital demonstrated by an Agreed-Upon Procedure Report or an AUDITED Financial statement or a \$500,000 Surety Bond.
  - Unlimited License: Requires \$150,000 Working capital demonstrated by an Agreed-Upon Procedure Report or an AUDITED financial statement or a \$1,000,000 Surety Bond.
4. A copy of North Carolina Articles of Incorporation, Certificate of Authority, or Articles of Organization as certified by the North Carolina Secretary of State's office not submitted with application
5. The balance sheet is incomplete. This does not apply if you are submitting an Agreed-Upon Procedure Report, compilation, review or audit.
6. Not all pages of the application are submitted.
7. References not submitted



**APPLICATION  
FOR  
LICENSE TO PRACTICE GENERAL CONTRACTING  
IN THE  
STATE OF NORTH CAROLINA**

**Name of  
Applicant** \_\_\_\_\_

The Applicant is the entity applying for the license and under the exact name that the applicant shall perform work requiring a general contractors license. If you wish to conduct General contracting as a corporation, partnership, or LLC, list the company as the applicant.

**Applicant's Mailing Address:** \_\_\_\_\_

**Applicant's Physical Address (If Different):** \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**County** \_\_\_\_\_ **Telephone Number** (\_\_\_\_) \_\_\_\_\_

**E-mail Address** \_\_\_\_\_

**Completed Applications should be mailed to:  
North Carolina Licensing Board for General Contractors  
5400 Creedmoor Rd  
Raleigh, NC 27612**

**For Office Use Only**

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|  |

**Information on this application must be typewritten or completed in dark ink.**

1. Qualifying Individuals/Classifications: The name and social security number is required for all responsible managing employees, officers, or members of the personnel to be scheduled for the examination(s). Please check the appropriate boxes next to the examinations you wish each individual to complete. The classification(s) of license is determined by the examinations successfully completed.

Those who complete the North Carolina examinations, NASCLA Examination, or qualify for an Examination waiver will be the qualifiers for the license. Only one qualifier is required for licensure. A Licensee is not restricted to the number of qualifiers it can have on file.

Examinee Qualifier:

Examinee/Qualifier Name : \_\_\_\_\_  
(Print name exactly as it appears on Photo ID)

Social Security #: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
(MM/DD/YYYY)

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
Qualifier's Personal/Home Address Qualifier's Personal Phone Number

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Building Contractor         | <input type="checkbox"/> PU(Electrical – Ahead of Point of Delivery) | <input type="checkbox"/> S(Marine Construction)   |
| <input type="checkbox"/> Residential Contractor      | <input type="checkbox"/> PU(Fuel Distribution)                       | <input type="checkbox"/> S(Masonry Construction)  |
| <input type="checkbox"/> Highway Contractor          | <input type="checkbox"/> PU(Water and Sewer Lines)                   | <input type="checkbox"/> S(Railroad Construction) |
| <input type="checkbox"/> Public Utilities Contractor | <input type="checkbox"/> PU(Water Purification and Sewage Disposal)  | <input type="checkbox"/> S(Roofing)               |
| <input type="checkbox"/> H(Grading and Excavating)   | <input type="checkbox"/> S(Insulation)                               | <input type="checkbox"/> S(Metal Erection)        |
| <input type="checkbox"/> S(Boring and Tunneling)     | <input type="checkbox"/> S(Interior Construction)                    | <input type="checkbox"/> S(Swimming Pools)        |
| <input type="checkbox"/> PU(Communications)          |  | <input type="checkbox"/> S(Asbestos)              |
| <input type="checkbox"/> S(Concrete Construction)    |  | <input type="checkbox"/> S(Wind Turbine)          |

Examinee/Qualifier:

Examinee/Qualifier Name : \_\_\_\_\_  
(Print name exactly as it appears on Photo ID)

Social Security #: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
(MM/DD/YYYY)

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
Qualifier's Personal/Home Address Qualifier's Personal Phone Number

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Building Contractor         | <input type="checkbox"/> PU(Electrical – Ahead of Point of Delivery) | <input type="checkbox"/> S(Marine Construction)   |
| <input type="checkbox"/> Residential Contractor      | <input type="checkbox"/> PU(Fuel Distribution)                       | <input type="checkbox"/> S(Masonry Construction)  |
| <input type="checkbox"/> Highway Contractor          | <input type="checkbox"/> PU(Water and Sewer Lines)                   | <input type="checkbox"/> S(Railroad Construction) |
| <input type="checkbox"/> Public Utilities Contractor | <input type="checkbox"/> PU(Water Purification and Sewage Disposal)  | <input type="checkbox"/> S(Roofing)               |
| <input type="checkbox"/> H(Grading and Excavating)   | <input type="checkbox"/> S(Insulation)                               | <input type="checkbox"/> S(Metal Erection)        |
| <input type="checkbox"/> S(Boring and Tunneling)     | <input type="checkbox"/> S(Interior Construction)                    | <input type="checkbox"/> S(Swimming Pools)        |
| <input type="checkbox"/> PU(Communications)          |  | <input type="checkbox"/> S(Asbestos)              |
| <input type="checkbox"/> S(Concrete Construction)    |  | <input type="checkbox"/> S(Wind Turbine)          |

If you wish for more than 2 examinees/qualifiers, please provide another copy of this page along with the names, social security numbers, and examinations for all additional examinees/qualifiers.



2. Applicant for licensure must apply for a license under one of the following limitations. The limitation of license determines the size of the projects a contractor can undertake.

Check (✓) the appropriate limitation you are requesting, and submit proper application fee

- Unlimited                      No restrictions as to value of any single project. . . . . Application fee \$125.00
- Intermediate                      Single projects with value of up to \$1 million . . . . . Application fee \$100.00
- Limited                              Single projects with value of up to \$500,000 . . . . . Application fee \$75.00

We have enclosed \$ \_\_\_\_\_ application fee. The fees and sum accompanying any application shall be nonrefundable. Make check payable to North Carolina Licensing Board for General Contractors

**If any of the following questions are answered "Yes," an explanation and supporting documentation is required.**

3. a. Have you or any officer or responsible managing employee(s) of your firm or corporation or other entities in which you were a principal, ever been refused a license to practice general contracting, been investigated, been disciplined in any way by the North Carolina Licensing Board for General Contractors or ever had a complaint filed against you?

Yes    No    If yes, explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Are you or any responsible managing employees or any officers of your firm currently being investigated by the North Carolina Licensing Board for General Contractors for possible discipline in the future?

Yes    No    If yes, explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Has any other licensing board or regulatory agency ever investigated or disciplined you, your firm, or any responsible managing employee(s) of your firm?

Yes    No    If yes, explain (including name of board or agency and provide case or Board's file number if known) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. a. Has any responsible managing employee(s) passed a North Carolina examination given by the North Carolina Licensing Board for General Contractors that is valid and transferable?

Yes    No    If yes, an examination transfer authorization form is required to be completed and submitted with the application. This form is located in the back of this application.

b. Has any responsible managing employee passed the NASCLA Accredited Building examination or another examination accepted by the Board and is currently qualifying an existing North Carolina License?

Yes    No    If yes, an examination transfer authorization form is required to be completed and submitted with the application. This form is located in the back of this application.

- 6.** In the space below give a brief summary of past construction history. This summary should include the number of years of construction experience you have. If you have no construction experience, indicate your trade or occupation.
- 
- 7.** During the past three years, have any judgments, liens, lawsuits or claims been entered or filed against the applicant or responsible persons (including partners, officers, major shareholders, and management level employees) in any organization in which you were a principal? Yes      No
- 
- 8.** a. Are there any liens for labor or materials filed on any of your projects? Yes      No
- 
- b. Has any creditor notified you of intent to file liens? Yes      No
- 
- 9.** Have you or your business guaranteed liability for another business or person? Yes      No
- 
- 10.** Have you or any owner, principal, or qualifier ever failed in business or compromised with creditors or filed a petition in bankruptcy? Yes      No
- (If yes, the nature of the insolvency proceeding, bankruptcy filing and bankruptcy documents must be attached to this form.)
- 11.** Has any surety company ever paid a loss on you as an individual, or if a firm, on any of the firm members, or if a corporation, on any of the officers? Yes      No
- (If yes, state name of the surety company and give complete details.) \_\_\_\_\_
- 
- 12.** Have you ever defaulted on a contract? Yes      No
- 
- 13.** Have you or any responsible managing employee of the sole proprietorship, member of the partnership, or officers of the corporation or anyone qualifying by examination for this application ever been convicted of any criminal offense? Yes      No
- [If yes, provide court documents showing charges, conviction, terms of punishment, and final disposition, if any, of probation or parole. A notarized statement must be submitted with full disclosures regarding the terms and conditions of probation or parole. If on probation or parole, verification from court official (probation/parole officer) is required confirming the period of probation or parole.]

If a corporation, complete questions 14, 15, 16

If a limited liability company, complete questions 14A, 15A, 16

14. date incorporated \_\_\_\_\_

14A. date formed \_\_\_\_\_

In what state incorporated \_\_\_\_\_

if not domestic LLC, where originated:  
\_\_\_\_\_

15.

| Name of Officers and Directors | No. of Shares owned | Address |
|--------------------------------|---------------------|---------|
| (President)                    |                     |         |
| (Vice-President)               |                     |         |

15A. If LLC, list name(s) of manager(s) or member(s) delegated special responsibilities, if any: \_\_\_\_\_  
\_\_\_\_\_

16. If a corporation, attach a photocopy of North Carolina Articles of Incorporation (with seal) (if domestic) or Certificate of Authority (with seal) (if a foreign corporation) as certified by the North Carolina Secretary of State's Office. If LLC, attach a photocopy of the Articles of Organization (with seal) (if domestic) or Certificate of Authority (with seal) (if a foreign LLC) as certified by the North Carolina Secretary of State's Office. Note: The above-mentioned seal is the North Carolina Secretary of State's Seal found on the bottom left corner of the document.

If a partnership, complete questions 18, 19, and circle if general, limited or LLP.

17.

| Names of all individuals comprising partnership | Address |
|---|---------|
|   |         |
|   |         |
|   |         |
|   |         |

18. If a general partnership, attach a photocopy of The General Partnership Agreement. If limited partnership, attach a photocopy of Certificate of Limited Partnership filed with the North Carolina Secretary of State's Office; if a registered limited liability partnership, attach a photocopy of RLLP Application that has been filed and registered with the North Carolina Secretary of State's Office.

19. If using an assumed name, a photocopy of the filed Certificate(s) of Assumed Name that have been filed pursuant to N.C.G.S. §66-68 with the Register of Deeds for the counties in which the applicant will be doing business is required to be submitted.

20. **Character References:** All applicants shall submit **three (3)** written evaluations of the applicant as to the character reference's knowledge and experience with the applicant. If the applicant is a legal entity, character references shall be submitted for **ALL** individuals who sign the application on behalf of the applicant. If the applicant is a sole proprietorship, character references shall be for the applicant itself. All Character references should include:

1. The name of the person submitting the reference.
2. The mailing address, phone number, email address of the person submitting the reference
3. The Date of the reference (References older than 12 months from date of submission cannot be accepted.)
4. Information regarding the reference's knowledge and experience with the applicant or person about whom the reference is being provided.

References should not be from family members or inter-related companies (for example parent/subsidiaries and their employees). Form letters cannot be accepted. Applications without the required references will be considered incomplete.

21. Balance Sheet of \_\_\_\_\_

(Exact name as listed on page A1 of application)

The necessary Working Capital or Net Worth will be demonstrated with:

Application Balance Sheet (Limited Only)  Attached Report or Financial Statement  Surety Bond

Limited License must have \$17,000 Working Capital or \$80,000 Net Worth;

An Intermediate License or an Unlimited License must provide an Agreed-Upon Procedure Report, AUDITED financial statement or surety bond

DATE OF FINANCIAL STATEMENT (MM/DD/YYYY):  / /

|          | <b>CURRENT ASSETS</b>  |           | Dollars (\$) |
|----------|--|-----------|--------------|
|          | Cash on hand and in the bank                                       | \$        |              |
|          | Accounts Receivable (Within 1 year)                                |           |              |
|          | Trade  | \$        |              |
|          | Other  | \$        |              |
|          | Cost in excess of billings on uncompleted contracts                | \$        |              |
|          | Marketable Securities, Stocks, and Bonds                           | \$        |              |
|          | Inventories – Materials or Houses Built or Developed Lots for Sale | \$        |              |
|          | Prepaid Expenses (insurance, taxes, interest, rents, etc.)         | \$        |              |
|          | Other  | \$        |              |
| <b>A</b> | <b>Total Current Assets</b>  | <b>\$</b> |              |
|          | <b>NON-CURRENT ASSETS</b>  |           |              |
|          | Accounts Receivable (amounts not due within 1 year)                | \$        |              |
|          | Related Party Receivable   | \$        |              |
|          | Long Term Investments  | \$        |              |
|          | Land   | \$        |              |
|          | Depreciable Assets   |           |              |
|          | Buildings  | \$        |              |
|          | Equipment  | \$        |              |
|          | Tools  | \$        |              |
|          | Vehicles   | \$        |              |
|          | Retirement Accounts  | \$        |              |
|          | Cash Surrender value of Life Insurance                             | \$        |              |
|          | Other  | \$        |              |
| <b>B</b> | <b>Total Non-Current Assets</b>                                    | <b>\$</b> |              |
| <b>C</b> | <b>TOTAL ASSETS = (A + B)</b>                                      | <b>\$</b> |              |
|          | <b>CURRENT LIABILITIES</b>   |           |              |
|          | Accounts Payable (due within 1 year)                               | \$        |              |
|          | Accrued Payroll  | \$        |              |
|          | Taxes Payable  | \$        |              |
|          | Credit Balance (Amount due within 1 year)                          | \$        |              |
|          | Equipment Encumbrances (Amount due within 1 year)                  | \$        |              |
|          | Real Estate Encumbrances (Amount due within 1 year)                | \$        |              |
|          | Other  | \$        |              |
| <b>D</b> | <b>Total Current Liabilities</b>                                   | <b>\$</b> |              |
|          | <b>LONG-TERM LIABILITIES</b>                                       |           |              |
|          | Accounts Payable (Amount due after 1 year)                         | \$        |              |
|          | Equipment Encumbrances (Amount due after 1 year)                   | \$        |              |
|          | Real Estate Encumbrances (Amount due after 1 year)                 | \$        |              |
|          | Line of Credit Balance and Credit Balance (due after 1 year)       | \$        |              |
|          | Related Party or Stockholder Payable                               | \$        |              |
|          | Other  | \$        |              |
| <b>E</b> | <b>Total Long-Term Liabilities</b>                                 | <b>\$</b> |              |
| <b>F</b> | <b>TOTAL LIABILITIES = (D + E)</b>                                 | <b>\$</b> |              |
|          | <b>WORKING CAPITAL = (A – D)</b>                                   | <b>\$</b> |              |
|          | <b>NET WORTH = (C – F)</b>   | <b>\$</b> |              |

The signer(s) of this application certify, verify, and guarantee(s) the truth and accuracy of all statements and of all answers given.

I/We understand that I/we am/are signing this document under oath and that I/we, once licensed, will be subject to discipline if fraudulent information is contained herein. The Board may conduct criminal records verifications on responsible managing employees, officers and members of the personnel of the applicant.

I/We understand that giving false or forged evidence of any kind in this document or any other document submitted to the Board constitutes a misdemeanor punishable by a fine of not less than \$500.00 or imprisonment of up to three months, or both.

I/We understand that I/we may contract only in the exact name to which the license is granted. I/We understand that a formal name change approved by the Board is required in order to contract under any name other than that on the application for any project exceeding \$30,000.00 in cost.

I/We certify that the examinee(s) listed in this application is/are responsible managing employee(s), officer(s) and/or member(s) of the personnel of the applicant and will be required to sign annual renewal forms and/or other forms as required by the North Carolina Licensing Board for General Contractors (authority N.C.G.S. §87, Article 1, and 21 NCAC 12).

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Print Name of Applicant for Licensure (Full name of applicant including legal name and DBA name if applicable)

**I affirm that I am authorized to act on behalf of the applicant and that all information provided is truthful and correct. I understand that failure to provide truthful information to the Board may subject the licensee and qualifier(s) to disciplinary action pursuant to N.C.G.S. 87-11 and 87-13. Further, I understand that a violation of N.C.G.S. 87-13 is a Class 2 misdemeanor and may subject me to criminal sanctions.**

Signature of Authorized Signer/Owner: \_\_\_\_\_

Print name and Title of Signatory: \_\_\_\_\_

Tax Identification Number of Applicant: \_\_\_\_\_

On behalf of the applicant/licensee, I certify that I have read and understand the "public notice statement" maintained by the N.C. Industrial Commission, Employee Classification Section on their website.

Further, the applicant/licensee has \_\_\_\_/has not \_\_\_\_ been investigated for employee misclassification within the past twelve (12) months.

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Signature of Authorized Signer

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Print Name and Title of Signatory

---

Date

The public statement notice referenced can be viewed at the following web address.  
<http://www.ic.nc.gov/EmployeeClassificationSection.html>



# North Carolina Licensing Board for General Contractors

## EXAMINATION TRANSFER AUTHORIZATION

The qualifier for the applicant shall be a responsible managing employee, officer, or member of the personnel of the applicant. A person may serve as a qualifier for no more than two licenses. A qualifier's examination credentials shall archive if the qualifier does not serve as a qualifier for an active licensee for a period of four consecutive years. "Responsible Managing Employees" and "Members of the Personnel" must be W-2 employees. The Board may reject the application of a person who has already passed an examination if such person has previously served as a qualifier for a licensee that has been disciplined by the Board. (21 NCAC 12.0205(a-f))

This authorization does not transfer a license or a license number.

Name of Qualifying Examinee: \_\_\_\_\_

Social Security #: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
(MM/DD/YYYY)

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
Qualifier's Personal/Home Address Qualifier's Personal Phone Number

We are requesting that the qualifier's examination(s) be transferred:

From (a): \_\_\_\_\_ License No. \_\_\_\_\_

To (b): \_\_\_\_\_ License No. \_\_\_\_\_  
(If applicable)

We request the qualifier's exams be transferred to the applicant's/licensee's file as the qualifying party for the licensee as outlined in N.C.G.S. §87-10. If the qualifier's employment with the licensee should cease or be terminated, the licensee and qualifier will notify the North Carolina Licensing Board for General Contractors in writing with the termination date within 10 days.

Does the qualifier wish to still be considered the qualifier, by their examination(s), for the person, firm, or corporation listed above as (a)?  Yes  No

Has the qualifying individual or the person, firm, or corporation the examinations are being transferred from ever been refused a license to practice general contracting, been under investigation, or been disciplined in any way by the North Carolina Licensing Board for General Contractors?

YES  NO If "Yes," please explain: \_\_\_\_\_

### QUALIFIER SIGNATURE

I affirm that I am the qualifier and that all information provided is truthful and correct. I understand that failure to provide truthful information to the Board may subject the licensee and qualifier(s) to disciplinary action pursuant to N.C.G.S. 87-11 and 87-13. Further, I understand that a violation of N.C.G.S. 87-13 is a Class 2 misdemeanor and may subject me to criminal sanctions.

Print Name of Qualifier: \_\_\_\_\_

Signature of Qualifier: \_\_\_\_\_ Date: \_\_\_\_\_

### APPLICANT/LICENSE SIGNATURE

I (We) certify that the qualifying examinee listed above is a full-time responsible managing employee, officer and/or member of the personnel of the applicant/licensee and will be required to sign annual renewal forms and/or other forms as required by the North Carolina Licensing Board for General Contractors (authority N.C. G.S. 87. Article 1, and 21 NCAC 12)

Further, I affirm that I am authorized to act on behalf of the licensee and that all information provided is truthful and correct. I understand that failure to provide truthful information to the Board may subject the licensee and qualifier(s) to disciplinary action pursuant to N.C.G.S. 87-11 and 87-13. Further, I understand that a violation of N.C.G.S. 87-13 is a Class 2 misdemeanor and may subject me to criminal sanctions.

Print Name of Authorized Signer: \_\_\_\_\_

Signature of Authorized Signer: \_\_\_\_\_ Date: \_\_\_\_\_



# North Carolina Licensing Board for General Contractors

## EXAMINATION WAIVER FORM

The qualifier for the applicant shall be a responsible managing employee, officer, or member of the personnel of the applicant. A person may serve as a qualifier for no more than two licenses. A qualifier's examination credentials shall archive if the qualifier does not serve as a qualifier for an active licensee for a period of four consecutive years. "Responsible Managing Employees" and "Members of the Personnel" must be W-2 employees. The Board may reject the application of a person who has already passed an examination if such person has previously served as qualifier for a licensee that has been disciplined by the Board. (21 NCAC 12.0205(a-f))

### SECTION TO BE COMPLETED BY APPLICANT/LICENSEE

Name of Applicant/Licensee: \_\_\_\_\_ License Number: \_\_\_\_\_  
(if applicable)

Name of Examinee/Qualifier: \_\_\_\_\_ SSN: \_\_\_\_\_

Date of Birth \_\_\_\_\_ Phone Number \_\_\_\_\_ Exam Classifications: \_\_\_\_\_  
(MM/DD/YYYY) Qualifier's Personal Phone Number

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
Qualifier's Personal/Home Address

Has the Examinee ever been convicted of any criminal offense? YES  NO

If YES, provide court documents showing charges, conviction, terms of punishment, and final disposition, if any, of probation or parole. A notarized statement must be submitted with full disclosures regarding the terms and conditions of probation or parole. If on probation or parole, verification from court official (probation/parole officer) is required confirming the period of probation or parole.

I (We) certify that the qualifier listed above is a responsible managing employee, officer and/or member of the personnel of the licensee and will be required to sign annual renewal forms and/or other forms as required by the North Carolina Licensing Board for General Contractors (authority N.C. G.S. 87. Article 1, and 21 NCAC 12). Further, I affirm that I am authorized to act on behalf of the applicant/licensee and that all information provided is truthful and correct. I understand that failure to provide truthful information to the Board may subject the licensee and qualifier(s) to disciplinary action pursuant to N.C.G.S. 87-11 and 87-13. Further, I understand that a violation of N.C.G.S. 87-13 is a Class 2 misdemeanor and may subject me to criminal sanctions.

Print Name of Authorized Signer: \_\_\_\_\_

Signature of Authorized Signer: \_\_\_\_\_ Date: \_\_\_\_\_

### SECTION TO BE COMPLETED BY STATE LICENSING BOARD OR AUTHORITY

Name of Licensee: \_\_\_\_\_ License Number: \_\_\_\_\_

Classification of License: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Has the licensee and/or any responsible managing employee ever been disciplined? \_\_\_\_\_  
If yes, explain:

Name of Examinee: \_\_\_\_\_

Examination Classification: \_\_\_\_\_ Date Exam Passed: \_\_\_\_\_

Examination Classification: \_\_\_\_\_ Date Exam Passed: \_\_\_\_\_

Examination Classification: \_\_\_\_\_ Date Exam Passed: \_\_\_\_\_

State Licensing Board or Authority: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

(SEAL)

## Agreed-UpOn Procedures Guide for the Review of Licensee Working Capital

The North Carolina Licensing Board for General Contractors offers three levels of licensure based on the financial stability of the applicant. A **limited license** can be obtained if the applicant presents evidence to the Board that the applicant has working capital that equals or exceeds \$17,000. An **intermediate license** can be obtained if the applicant has working capital that equals or exceeds \$75,000. An **unlimited license** can be obtained if the applicant has working capital that equals or exceeds \$150,000. To protect the public and provide verification to the Board of the reported working capital amount, the following agreed-upon procedures should be performed by a certified public accountant or an independent accountant who is engaged in the public practice of accountancy and the accompanying report should be filed with the Board as part of the license request. Procedures should be performed only for those account balances as reported on the Working Capital Computation schedule.

1. Agree the amounts reported on the Working Capital Computation to the applicant's general ledger or supporting accounting records.
2. Agree all bank accounts on the general ledger as of the reporting date with bank statements. Obtain the most recent bank reconciliation(s) and trace the reconciled book balance(s) to the general ledger and the Financial Balance Sheet.
3. Review the make-up of accounts receivable to verify the accuracy of the amount reported and that the amount reported is supported by adequate documentation.
4. Review any costs in excess of billings on uncompleted contracts to verify the accuracy of the amounts reported.
5. Review any reported marketable securities, stocks, bonds, and retirement accounts and agree amounts to brokerage account statements.
6. Select a sample of inventory items and test X items to ensure existence and proper valuation.
7. Review the amount reported as prepaid to determine that the amount recorded as properly calculated.
8. Review the make-up of accounts payable to verify the accuracy of the amount reported and that the amount recorded is supported by adequate documentation.
9. Review amounts reported as accrued payroll to payroll records to document salary, wages, and payroll tax amounts due.
10. Inquire as to the existence of business or personal credit card(s) being utilized for business purposes. Examine most recent credit card statement to corroborate reported balance.
11. Confirm all line of credit balances as of the reporting date with financial institutions.
12. Inquire as to the existence of any equipment or real estate encumbrances. Review lien to verify the amount reported.
13. Determine if any other procedures are necessary to verify the accuracy of the applicant's presentation of the Financial Balance Sheet. Identify and discuss those procedures with the applicant prior to performing. Complete those procedures to verify the accuracy of the amounts reported.

If the CPA or Independent Accountant chooses to use sampling methodology in performing any of the above procedures, sample selection should be in accordance with the AICPA's guidance for small population sizes. See the following table for sample selection:

| Small Population Sample Size Table |                        |
|------------------------------------|------------------------|
| Frequency and Population Size      | Sample Size            |
| Quarterly (4)                      | 2                      |
| Monthly (12)                       | 2 – 4                  |
| Semimonthly (24)                   | 3 – 8                  |
| Weekly (52)                        | 5 – 9                  |
| Between 52 and 250                 | 10% of the population* |

\*Rule of thumb is 10%, but sample size is subject to auditor judgment



|   |                         |
|---|-------------------------|
| <b>NORTH CAROLINA LICENSING BOARD FOR GENERAL CONTRACTORS<br/>WORKING CAPITAL CALCULATION</b> | <b>LICENSE #:</b> _____ |
|---|-------------------------|

Name of Licensee: \_\_\_\_\_

Organization Type:     Individual     Sole Proprietor     Corporation     LLC     Partnership

Date of Presentation (MM/DD/YYYY): \_\_\_\_\_

|          | <b>CURRENT ASSETS</b>  | Dollars (\$) |
|----------|--|--------------|
|          | Cash on hand and in the bank                                       | \$           |
|          | Accounts Receivable (Within 1 year)                                | \$           |
|          | Trade  | \$           |
|          | Other (Itemize and explain)  | \$           |
|          | Cost in excess of billings on uncompleted contracts                | \$           |
|          | Marketable Securities, Stocks, and Bonds                           | \$           |
|          | Inventories – Materials or Houses Built or Developed Lots for Sale | \$           |
|          | Prepaid Expenses (insurance, taxes, interest, rents, etc.)         | \$           |
|          | Other (Itemize and explain)  | \$           |
|          | Other (Itemize and explain)  | \$           |
|          | Other (Itemize and explain)  | \$           |
| <b>A</b> | <b>Total Current Assets</b>  | <b>\$</b>    |
|          | <b>CURRENT LIABILITIES</b>   |              |
|          | Accounts Payable (due within 1 year)                               | \$           |
|          | Accrued Payroll  | \$           |
|          | Taxes Payable  | \$           |
|          | Credit Card Balance  | \$           |
|          | Equipment Encumbrances (Amount due within 1 year)                  | \$           |
|          | Real Estate Encumbrances (Amount due within 1 year)                | \$           |
|          | Line of Credit Balance   | \$           |
|          | Other (Itemize and explain)  | \$           |
|          | Other (Itemize and explain)  | \$           |
|          | Other (Itemize and explain)  | \$           |
| <b>B</b> | <b>Total Current Liabilities</b>                                   | <b>\$</b>    |

**Working Capital: (A – B) = \$ \_\_\_\_\_**

**Limited License** must be \$17,000 Working Capital  
**Intermediate License** must be \$75,000 Working Capital  
**Unlimited License** must be \$150,000 Working Capital

Report Prepared By: \_\_\_\_\_