

South Carolina Contractor's Licensing Board

Financial Statement Requirements

([SECTION 40-11-260. Financial statements](#))

FINANCIAL STATEMENTS MUST BE SUBMITTED WITH EACH OF THE FOLLOWING:

- Initial Application, Doc #165
- Reinstatement Application, Doc #165
- Renewal, Doc #175
- Revision Application to Upgrade License, Doc #180

You must submit a financial statement with a balance sheet date no more than twelve (12) months prior to the date of the relevant application or renewal. The financials must reflect the appropriate type and net worth / total equity for the group number you are applying (see chart below). The financial statement must be in the same name as the DBA (doing business as) name. The board may accept personal financial statements of an entity's principals for an entity with less than two year's operating experience, per [40-11-260\(C\)\(4\)](#); after two years of operations, financials in the DBA name are required. A financial statement from a parent company may be accepted if it's noted in the financial statement "notes" or accompanied by a letter from the parent company stating the entity is a wholly-owned subsidiary.

Financial statement requirements for initial applications and renewal applications are different. See [License Renewal and Reinstatement Requirements](#) for additional information.

FINANCIAL STATEMENT REQUIREMENTS FOR: INITIAL APPLICATIONS AND UPGRADES:

Groups 1 and 2 - a "**self-prepared**" notarized financial statement. Download [Document #172](#) from our website, generate a balance sheet from your accounting software (i.e. QuickBooks), or obtain a form from your bank. All forms must be signed and notarized.

Groups 3 and 4 - a "**compiled**" financial statement prepared by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP); include the accountants' report, and all notes and disclosures required by GAAP.

Group 5 - an "**audited**" financial statement prepared by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP); include the accountants' report, and all notes and disclosures required by GAAP.

FINANCIAL STATEMENT REQUIREMENTS FOR: RENEWALS:

Groups 1, 2, 3 and 4 - a "**self-prepared**" notarized financial statement. Download [Document #172](#) from our website, generate a balance sheet from your accounting software (i.e. QuickBooks), or obtain a form from your bank. All forms must be signed and notarized.

Group 5 - Submit a "**reviewed**" (or audited) financial statement prepared by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP); include the accountants' report and all notes and disclosures required by GAAP.

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GENERAL CONTRACTORS

| Group Number | Job Contract Limit | Financial Stmt Net Worth/Total Equity Required | Financial Stmt Type for Initial Licenses & Upgrades | Financial Stmt Type for Renewals |
|--------------|--------------------|--|---|--|
| Group # 1 | \$50,000 | \$10,000 | Self-prepared/ Doc#172 | Self-prepared/ Doc#172 |
| Group # 2 | \$200,000 | \$40,000 | Self-prepared/ Doc#172 | Self-prepared/ Doc#172 |
| Group # 3 | \$500,000 | \$100,000 | Compilation by CPA or PA | Self-prepared/ Doc#172 |
| Group # 4 | \$1,500,000 | \$175,000 | Compilation by CPA or PA | Self-prepared/ Doc#172 |
| Group # 5 | \$Unlimited | \$250,000 | Audit by CPA or PA | Review by CPA or PA |

MECHANICAL CONTRACTORS

| Group Number | Job Contract Limit | Financial Stmt Net Worth/Total Equity Required | Financial Stmt Type for Initial Licenses & Upgrades | Financial Stmt Type or Renewals |
|--------------|--------------------|--|---|--|
| Group # 1 | \$17,500 | \$3,500 | Self-prepared/ Doc#172 | Self-prepared/ Doc#172 |
| Group # 2 | \$50,000 | \$10,000 | Self-prepared/ Doc#172 | Self-prepared/ Doc#172 |
| Group # 3 | \$100,000 | \$20,000 | Compilation by CPA or PA | Self-prepared/ Doc#172 |
| Group # 4 | \$200,000 | \$40,000 | Compilation by CPA or PA | Self-prepared/ Doc#172 |
| Group # 5 | \$Unlimited | \$200,000 | Audit by CPA or PA | Review by CPA or PA |

“Compilation” and “Audited” financial statements must be prepared by a licensed certified public accountant or a licensed public accountant. Financial statements must include the accountants’ report, balance sheet, and all “notes” and disclosures prepared in accordance with [GAAP \(generally acceptable accounting principles\)](#). Financials prepared on an “income tax basis” are not acceptable by statute. See [SECTION 40-11-260. Financial statements](#).