

## **Guidelines for CCI Surety, Inc. bonding backed by the SBA**

The following are guidelines for the Small Business Administration (SBA) Bond Guarantee – Plan A – Prior Approval Plan. Additional criteria will be analyzed by the SBA and the Surety and will have an effect on whether or not a contractor qualifies for surety bonding backed by the SBA.

Due to new regulations introduced in the beginning of 2009, SBA can consider bonding contracts up to \$5 million, which greatly exceeds the previous \$2 million contract limit.

### **1. SALES PER YEAR**

The company's annual sales per year averaged over the last 3 years cannot exceed limits defined by the U.S. SBA Size Standards Table. The size standards are categorized by the small businesses' NAICS (North American Industry Classification System) code. Most construction specialty trades cannot exceed \$14 million in revenue per year. Other businesses which operate in heavy equipment operations have limits of \$33 million and limits vary for other trades.

### **2. COMPANY FINANCIAL STATEMENTS**

Contractors are required to present company financials on a biannual basis. The level of financial preparation must meet the following minimum criteria:

Contracts less than \$400,000 – Balance Sheet and Income Statement (with aging accounts receivable and accounts payable reports) prepared on an accrual basis, generated from in-house accounting software.

Contracts \$400,000 to \$1 million – CPA Compiled Balance Sheet and Income Statement (with aging accounts receivable and accounts payable reports) prepared on an accrual basis.

Contracts over \$1 million – CPA Reviewed Balance Sheet and Income Statement (with aging accounts receivable and accounts payable reports) prepared on a percentage of completion basis.

### **3. PROJECT SIZE**

The project to be bonded cannot be more than 1.5 times larger than the largest project completed in the past by the company to be bonded.

For questions on the program, feel free to contact Jeremy Crawford, Tanya Fukushima, Andrea Michael or any other underwriter at CCI Surety, Inc. at 1-866-317-3294.

In order for CCI Surety, Inc. to analyze the contractor's request we need the following items sent to our office. Forms can be found on our web site:

1. CCI Contractor's Questionnaire
2. Business Plan – one page form on our web site
3. Resume of Principals (20% or more owners), Key Managers and Personnel (include all years from high school to present)
4. Interim Financial – (within 90 days)
5. Business Financial Statements (last 3 fiscal year-ends or last 3 tax returns). Business financials/tax returns need to be signed and dated by an officer of the company
6. (3) Job References and (3) Supplier References
7. Bank Reference Letter - must include current and 12-month averages on depository accounts; line of credit limits and amounts outstanding and any loan information.
8. Surety-General Indemnity Agreement **\*\*NEED ORIGINAL\*\***
9. Current Certificate of Insurance
10. SBA Form 994 – Application for Surety Bond Guarantee Assistance. Each indemnitor must sign page 3 INCLUDING spouses. The officer signing on page 3 must sign a second time as an individual. **\*\*NEED ORIGINAL\*\***
11. SBA Form 912 – Statement of Personal History – (By the proprietor, if a sole proprietorship. By each partner, if a partnership. By each officer, director, and additionally by each holder of 20% or more of the ownership stock, if a corporation, limited liability company, or a development company) **\*\*NEED ORIGINAL\*\***
12. SBA Form 994F – Schedule of Uncompleted Work (within 90-days) – due quarterly. An officer must sign and date this form
13. SBA Form 413 - Personal Financial Statements – (or equivalent) all indemnitors (within 90 days). Form must be signed and dated

Project Specific Information:

14. CCI Bond Request Form
15. For bid bonds - copy of bid specs.
16. For final bonds - (performance and/or payment) - bid results and a copy of contract
17. For final bonds – SBA guarantee fee = 0.729%. The check must be from the contractor payable to the Small Business Administration. Additional surety fees apply which will be invoiced separately.
18. SBA Form 991 –ONLY if the work on the project to be bonded has started prior to bond issuance

Depending on the specifics of the request, additional information may be requested. Original forms can be sent to:

CCI Surety, Inc.  
1710 N. Douglas Dr., Suite #110  
Golden Valley, MN 55422