



**BOARD FOR LICENSING CONTRACTORS**

500 JAMES ROBERTSON PKWY, NASHVILLE, TN 37243-1150

Contact: (615) 741-741-8307 or (800) 544-7693 / Fax – (615)532-2868

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

Email: [contractor.app@tn.gov](mailto:contractor.app@tn.gov)

Deadline date: Last day of month prior to board meeting (see "[Public Meetings Calendar](#)" on Website)

**CHECK LIST**  
**REQUEST TO REMOVE RESTRICTION AND INCREASE LIMIT**  
**(BC-A/r – Limited Residential License)**

\_\_\_\_ Copy of “Business and Law” and “Trade” exam scores.

\_\_\_\_ Reviewed or audited financial statement, less than one year old, prepared by licensed CPA.

\_\_\_\_ Complete the revision request form (experience, affidavit, ect.) and mail to the above address.

Detailed instructions are attached concerning financial information. For exam information, contact PSI Exams 1-800-733-9267 or [PSI Exam Information Bulletin](#). See [Outline of Classifications](#) for information on license classifications.

There is not a fee for this service. Revisions are reviewed by the Board at their regularly scheduled meetings. Deadline date to submit revision application is the last day of the month prior to the Board meeting. For example, if the next Board meeting is July 24; the deadline date for us to receive your request would be June 30<sup>th</sup>. (Check the Board’s calendar on the website for a list of meeting dates). The Board meets during the months of January, March, May, July, September and November.

Feel free to contact our office should you need additional assistance, 800-544-7693 or [contractor.app@tn.gov](mailto:contractor.app@tn.gov) .



**BOARD FOR LICENSING CONTRACTORS**

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**NO FEE**

**REQUEST TO REMOVE RESTRICTION**

**For BC-A/r- Revision/Increase**

COMPANY NAME: \_\_\_\_\_ LICENSE ID #000 \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
 (Address Change  No  Yes – Address above is new address)

TELEPHONE: Work(\_\_\_\_) \_\_\_\_\_ Cell (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Corporation  Partnership  Individual  LLC (Limited Liability Co.)

Classification(s): \_\_\_\_\_ License Expiration Date: \_\_\_\_\_

**BOARD REVIEW TO INCREASE MONETARY LIMIT AND CHANGE CLASS TO:**

Company  **\*HAS**  **HAS NOT bid** or performed work in which we are not properly licensed or in excess of our license limit or out of our classification. *\*If you checked "HAS," please attach an explanation!*

**ATTACH A LIST OF EXPERIENCE**

**FOR OFFICE USE ONLY**

Current Monetary Limit: \_\_\_\_\_; Class: BC-A/r Expiration: \_\_\_\_\_  
 Audit  Review – Date of Financial Statement: \_\_\_\_\_



Financial Statements Submitted: \_\_\_ Personal \_\_\_ Company \_\_\_ Corporate \_\_\_ Parent  
 Guaranty: \_\_\_ Attached \_\_\_ N/A

<b>COMPANY W/C</b>		<b>COMPANY N/W</b>	
<b>PERSONAL W/C</b>		<b>PERSONAL N/W</b>	
<b>50% PERS. W/C</b>		<b>50% PERS. N/W</b>	
<b>LINE OF CREDIT</b>			
<b>TOTAL W/C:</b>		<b>TOTAL N/W</b>	

**APPROVED-CLASSIFICATION:** \_\_\_\_\_; **MONETARY LIMIT:** \$ \_\_\_\_\_

**APPROVED UPON RECEIPT OF:** \_\_\_\_\_

**DENIED—REASON:** \_\_\_\_\_

**BOARD MEMBER INITIALS:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**TENNESSEE BOARD FOR LICENSING  
CONTRACTORS  
Remove Restriction – EXPERIENCE INFORMATION**



LICENSE ID#: 000 \_\_\_\_\_

1. Date: \_\_\_\_\_ Job Name \_\_\_\_\_ Spec/ Contract Amount \$ \_\_\_\_\_

Type of Work: \_\_\_\_\_

Location of Job: \_\_\_\_\_

Name of Customer/Owner: \_\_\_\_\_ Date Completed: \_\_\_\_\_

Work Performed as: \_\_\_ Prime/General Contractor \_\_\_ Construction Manager \_\_\_ Subcontractor \_\_\_ Joint Venture  
Month / Year

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2. Date: \_\_\_\_\_ Job Name \_\_\_\_\_ Spec/ Contract Amount \$ \_\_\_\_\_

Type of Work: \_\_\_\_\_

Location of Job: \_\_\_\_\_

Name of Customer/Owner: \_\_\_\_\_ Date Completed: \_\_\_\_\_

Work Performed as: \_\_\_ Prime/General Contractor \_\_\_ Construction Manager \_\_\_ Subcontractor \_\_\_ Joint Venture  
Month / Year

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3. Date: \_\_\_\_\_ Job Name \_\_\_\_\_ Spec/ Contract Amount \$ \_\_\_\_\_

Type of Work: \_\_\_\_\_

Location of Job: \_\_\_\_\_

Name of Customer/Owner: \_\_\_\_\_ Date Completed: \_\_\_\_\_

Work Performed as: \_\_\_ Prime/General Contractor \_\_\_ Construction Manager \_\_\_ Subcontractor \_\_\_ Joint Venture  
Month / Year

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4. Date: \_\_\_\_\_ Job Name \_\_\_\_\_ Spec/ Contract Amount \$ \_\_\_\_\_

Type of Work: \_\_\_\_\_

Location of Job: \_\_\_\_\_

Name of Customer/Owner: \_\_\_\_\_ Date Completed: \_\_\_\_\_

Work Performed as: \_\_\_ Prime/General Contractor \_\_\_ Construction Manager \_\_\_ Subcontractor \_\_\_ Joint Venture  
Month / Year

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5. Date: \_\_\_\_\_ Job Name \_\_\_\_\_ Spec/ Contract Amount \$ \_\_\_\_\_

Type of Work: \_\_\_\_\_

Location of Job: \_\_\_\_\_

Name of Customer/Owner: \_\_\_\_\_ Date Completed: \_\_\_\_\_

Work Performed as: \_\_\_ Prime/General Contractor \_\_\_ Construction Manager \_\_\_ Subcontractor \_\_\_ Joint Venture  
Month / Year

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**Certifications/Licenses** (please attach copies)  Not Applicable

Fire Sprinkler/NICET  /Well Driller/TDEC  Alarm Systems  Medical Gas  Other \_\_\_\_\_



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### **MONETARY LIMIT INCREASE for BCA/r Revisions**

In accordance with Contractor's Rule 06801.14, a licensee may request the Board to consider revision of their monetary limitation at any of the regular Board meetings; increases cannot be granted in office. Please attach a current **REVIEWED** or **AUDITED** financial statement to your increase request, with experience sheet. Financial statements must be less than one year old, prepared by an actively licensed **CPA** on **GAAP** basis. Financial statements prepared on *income tax basis* or *compiled* are **UNACCEPTABLE**.

**For any increase requests of \$3,000,000.00 AND LESS, submit a REVIEWED OR AUDITED financial statement, prepared by a CPA.**

**For increases, which will take the limit GREATER THAN \$3,000,000.00, submit an AUDITED financial statement prepared by a CPA. (must show at least \$300,000.00 in both net worth and working capital).**

MONETARY LIMIT IS BASED 10 TIMES THE LESSER OF WORKING CAPITAL OR NET WORTH. WORKING CAPITAL IS CURRENT ASSETS MINUS CURRENT LIABILITIES; NET WORTH IS TOTAL ASSETS MINUS TOTAL LIABILITIES.

At the Board's discretion, a "Line of Credit" on our format, may be used to increase the working capital. Personal financial statements with the "Guaranty Agreement" may be used to increase the net worth and working capital, however, only 50% of any guaranty provided is used.

A request for increase must be received in the Board office by the **last day of the month** before the month in which the Board meets. The Board is scheduled to meet January, March, May, July, September and November. For example, request must be received by August 31<sup>st</sup> to be reviewed at the September meeting. (Note: The contractor is not required to be at the meeting!)

In order for a request to be granted prior to the meeting, the "owner" of the project must submit a hardship request in writing for the contractor, stating the hardship, bid date, details of the project and why they need this contractor to bid. The contractor's increase paperwork must be complete. Contractors cannot bid until license increase is confirmed!

All licensees must be current and valid in order to be reviewed by the Board. New licensees (licensed less than one year) cannot be granted an increase, without special permission and a detailed explanation. Should an increase be sent with your license RENEWAL, your increase may be processed *first*, and then forwarded to the renewal section. A renewed license would then be mailed separately or to ensure the increase does not get overlooked, it would be best to send separately and using a photocopy of the financial statement for renewal. The Board sets the monetary limit based on experience of projects for the amount requested (you may list personnel's experience from other companies).

**NOTE: T.C.A. §626120, prohibits a contractor from offering to engage above their limit, prior to limit increase approval. Revisions are approved by the Board, only. The staff cannot approve these requests. Make sure you have your approval in writing before bidding!!!**

## INSTRUCTIONS

- \_\_\_\_\_ 1. Complete the attached revision request form and sign. If you checked "Has" bid, please attach explanation.
- \_\_\_\_\_ 2. Attach experience listing and copy of test scores (including Business & Law).
- \_\_\_\_\_ 3. \*Attach financial statement ("Reviewed" monetary requests \$3,000,000 or less or "Audited" for monetary limit requests exceeding \$3,000,000.00.
- \_\_\_\_\_ 4. Mail to the Contractor's Board. Must be received by the last day of the month to be reviewed at the next scheduled Board meeting. If this is to bid prior to the next Board meeting, must submit "Hardship" request from the owner with the bid date, reason of hardship, details of the project, ect.

### MONETARY LIMIT DETERMINATION FORMULA WORKSHEET

<u>WORKING CAPITAL</u>	<u>NET WORTH</u>
\$ _____ Current Assets	\$ _____ Total Assets
-minus -minus	
\$ _____ Current Liabilities	\$ _____ Total Liabilities
=equals =equals	
\$ _____ Working Capital	\$ _____ Net Worth

(EXAMPLE: If monetary limit requested is \$500,000, working capital and net worth must both be at least \$50,000)

If the working capital and net worth are not sufficient for your monetary limit, you may submit a "Line of Credit" on the Board's format to supplement working capital (50% value used for negative amount or submit a personal financial statement, with the Guaranty, which may be used at 50% value to supplement both net worth and working capital. A guaranty may be required by all parent companies for their subsidiaries.

**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.
- Underbillings on work in progress
- 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%
- Cash surrender value of life insurance policies
- Trade accounts receivable and 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, however, since they generally are not expected to be converted into cash within one year:

- 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

**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:

- Payables for materials and supplies
- Amounts collected before goods or services are delivered (overbillings on jobs in progress)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- Other obligations, including portions of long-term obligations that are 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.

(The next two pages, "Line of Credit" and the "Guaranty Agreement" may be used to support your financial statement)

**LINE OF CREDIT**

TO BE WRITTEN ON BANK, SAVINGS & LOAN LETTERHEAD  
(May be used if WORKING CAPITAL does not support monetary limit requested)

**DATE**

**TO: CONTRACTOR LICENSED NAME (Individual, Corporation, Partnership or LLC)**  
**Address**  
**City, State and Zip**

**RE: Contractor's License**

**Dear Contractor:**

You have requested of (Name of Bank, Savings & Loan (FDIC Approved)) to establish a line of credit which will be available to (Name as on License) for use in conducting the contracting business for which a license is being sought from the State of Tennessee Board for Licensing Contractors.

We hereby establish a line of credit for these purposes in the amount of \$(Dollar Amount), which will be maintained for a period of one (1) year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board for Licensing Contractors of any significant change(s) in your financial condition during the term of this commitment.

We the undersigned will endeavor to notify the Board for Licensing Contractors should we become aware of any significant change(s) in financial conditions of the above named applicant.

The undersigned hereby agrees to notify the Board for Licensing Contractors should we withdraw and/or eliminate the above named applicant's credit line.

By \_\_\_\_\_  
Name Title

**SAMPLE LETTER -- FOR BANK USE ONLY**

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Contractor Instructions

- To increase the working capital, a contractor may take this **SAMPLE** form to their bank
- The line of credit (LOC) does not increase the net worth
- If a contractor's working capital is negative, only 50% of the LOC's value is applied
- The LOC is for the contractor's use and may be utilized at any time by the contractor
- This format's exact wording must be used in order for the Board to consider accepting
- Original LOC document must be submitted; copies are not acceptable
- Name on LOC must be in the **EXACT NAME** as on the license and financial statement
- Lending institution must be a bank, savings and loan which is FDIC approved



**GUARANTY AGREEMENT**

*(Required with supplemental financial statements to increase working capital or net worth or by parent companies indemnifying subsidiaries)*

Personal Guarantors must attach "Notice of Liability" statement (see attached) acknowledging risk. The Board encourages obtaining advice from an attorney.

I/we, the undersigned person(s), natural or corporate, do hereby pledge and agree to guarantee the debts and obligations of the within named contractor for all debts and obligations arising out of the contracting activities of the Contractor as defined by TENNESSEE CODE ANNOTATED, section 62-6-101, et seq.

I/we the undersigned Guarantors agree and contract to pay any and all debts and obligations of said Contractor as provided for above should they fail and refuse to pay and/or default on same.

I/we the undersigned Guarantors, agree to furnish and supply the Board with any and all financial reports, statements and information to which they may request in order to provide evidence of my/our financial security and stability.

I/we understand and agree that where the words "indemnities" appear in Rule #0680-1-.13 of the rules of the Board; it shall be in reference to this document, its title and wording to the contrary.

This document and the obligation undertaken shall be valid for a period of two (2) years and shall become null and void upon expiration of any license granted the Contractor by the Board or upon joint request, in writing, of the undersigned Guarantors and the Contractor, with the approval of the Board, provided, however, that any and all debts and obligations for, or arising out of work in process, upon the expiration, nullification and/or cancellation of this agreement, shall be covered and the Guarantor(s) herein shall remain liable for same.

This **GUARANTY AGREEMENT** is limited to the amount of \$ \_\_\_\_\_ is executed at the request of:

\_\_\_\_\_  
**(NAME AS ON LICENSE)**

The contractor to which this document is applicable for the express purpose of providing additional financial security and stability to, and for, said Contractor in order that they may obtain a license to engage in contracting in the State of Tennessee, Board for Licensing Contractors.

<p><input type="checkbox"/> <b>Corporate Guaranty</b></p> <p><i>Must be signed by an authorized corporate official of the following business entity:</i></p> <p>_____ Name on Corporate Financial Statement (Attached)</p> <p>_____ Name of Corporate Official</p> <p>Title: _____</p> <p>_____ *Signature of Corporate Official</p> <p><i>*As a corporate official, I am fully authorized to bind and obligate corporation to the terms and conditions of this document as stated herein.</i></p>	<p><input type="checkbox"/> <b>Personal Guaranty</b></p> <p><i>Must be signed by all persons named on the attached personal financial statement:</i></p> <p>_____ Name of Personal Guarantor</p> <p>_____ Signature of Personal Guarantor</p> <p>_____ Name of Additional Personal Guarantor</p> <p>_____ Signature of Additional Personal Guarantor</p>
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**NOTARIZE**

Affirmed/witnessed and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Notary Public Signature) My Commission Expires: \_\_\_\_\_

-(Notary Seal) -

## NOTICE OF LIABILITY GUARANTY AGREEMENT

This is to confirm, I \_\_\_\_\_ have read and understand the  
(Print Name)  
liability associated with utilizing a "Guaranty Agreement".

Please consider some of the following concerns:

- 1. Other options may be considered in place of providing a personal guaranty, such as:**
  - Providing more capital and fixed assets to be reflected in the business financial statement.
  - Considering accepting a lower limit in which you may qualify.
  - Obtaining a "Line of Credit" to supplement working capital.
  - Consulting with a bonding agency relative to obtaining a "Contractor's License Bond".
  
- 2. Consulting with an attorney for advisement before utilizing the personal guaranty agreement option is encouraged.**
  
- 3. Whenever providing a personal financial statement, you should also consult with parties affected, such as your spouse or beneficiary(s), to make them aware of possible ramifications should your business become unable to financially fulfill contracting obligations.**

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
(NOTARY PUBLIC - SIGNATURE)

\_\_\_\_\_  
(COMMISSION EXPIRATION DATE)

-Notary Seal-



STATE OF TENNESSEE  
 DEPARTMENT OF COMMERCE AND INSURANCE  
**BOARD FOR LICENSING CONTRACTORS**  
 500 JAMES ROBERTSON PARKWAY, SUITE 110  
 NASHVILLE, TENNESSEE 37243-1150  
 (615) 741-8307 (800) 544-7693 or FAX - (615) 532-2868

**POWER OF ATTORNEY**

Know all that I, \_\_\_\_\_, of \_\_\_\_\_,  
 (Owner/Officer Name) (County)  
 \_\_\_\_\_, of \_\_\_\_\_ do hereby appoint:  
 (State) (License/Company Name)

\_\_\_\_\_  
 (Qualifying Agent Name or Officer) (Title) (Date of Employment)

Above named is at least 18 years of age and a full time employee, is authorized to act qualifying agent (QA) on the company's behalf, to take the examinations(s) and/or interview, as required for a Tennessee contractors license. Pursuant T.C.A. §62-6-115, employee/officer has sufficient knowledge to bind the corporation or partnership.

This designated qualifying agent \_\_\_\_\_ **\*IS** or \_\_\_\_\_ **IS NOT** listed as the QA for another licensee (attach explanation if listed on another license in Tennessee). I understand should the qualifying agent leave the company, pursuant T.C.A. §62-6-115, the Board must be notified within 10 days; another individual must be designated to pass the examinations within 90 days, or the license is invalid.

\_\_\_\_\_  
 Owner/Officer - Signature Qualifying Agent - Signature

Affirmed, witnessed and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_

Notary Public

-(Seal)-

**\*If you checked "IS" listed on another contractor's license, what is the license ID#000\_\_\_\_\_.**  
**A Qualifying Agent cannot be listed on more than one license unless they are a majority owner or their license is inactive/retired. Please submit an explanation.**

*(To be completed by entity appointing a non-owner full time employee or officer as qualifying agent for testing and/ or board interview)*