NYS Bonding Guarantee Assistance Program

Eligibility Guidelines:

1. Credit:
    a. No unpaid judgments, warrants or liens. (Satisfied judgments are acceptable.)
    b. No unpaid, pending or open tax liens.
    c. No arrears in child support.
    d. No recent, pending or open bankruptcy filings.
2. Contractor should not have poor personal and/or corporate credit history. Minimum acceptable credit is greater than 600 for all persons required to sign a General Indemnity Agreement (owner, spouse, investors and principals owning more than 5% interest and their spouses). Credit reports must be furnished upon application for all parties.
3. Contractor must be in business for a minimum of 2 years.
4. Contractor should not have any surety losses on their record.
5. Minimum average gross revenue of $400,000 in either of the last two fiscal or calendar years and maximum gross revenue not to exceed $5 million in the most recent calendar or fiscal year.
6. The contractor/firm must have 2 years of financial statements as follows:
    a. If the project/contract value is less than $500,000, CPA financial statements are not required, but CPA prepared tax returns and quality, computer generated financial statements are required. Cash basis financial statements are not acceptable. Underwriters prefer an accrual basis or percentage-of-completion basis. Financial statements required, at a minimum, are the Profit and Loss statement (Income Statement) and the Balance Sheet.
    b. If the project value is more than $500,000 but less than $1,000,000, the contractor/firm is required to produce CPA financial statements on either a reviewed or compilation basis. Again, no cash basis statements. The statements should be prepared on an accrual or percentage-of-completion basis.
    c. If the project value is more than $1,000,000, the contractor/firm is required to produce CPA financial statements on a reviewed basis, with footnotes and schedules on a percentage of completion basis. In addition, if available, a Work In Progress schedule that ties into the CPA statement is helpful.

   d. A detailed Accounts Receivable and Accounts Payable Aging Schedules are required to be submitted together with the request for an Irrevocable Letter Of Credit.

7. The contractor/firm must be able to produce a current Work in Progress Schedule with all projects reflected, both bonded and non-bonded.
8. The contractor/firm must be able to produce a bank letter evidencing at least 10% of the value of the contract in working capital, either by cash on hand, credit line or other liquid assets to qualify for an Irrevocable Letter Of Credit under this program.
9. Maximum contract size is limited to $2 million.
10. Limited to NYS contracts.