



# NEVADA STATE CONTRACTORS BOARD

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[www.nscb.state.nv.us](http://www.nscb.state.nv.us)

## INDEMNIFICATION INSTRUCTIONS AND REQUIREMENTS

An indemnification agreement allows the board to consider the financial strength of an individual or entity in addition to the applicant. Indemnification is not required, however, it provides an option to an applicant who may not otherwise qualify for a state contractor's license, or increase in monetary limit for an existing license. The agreement must be on a form prescribed by the board, and accompanied by financial documents as set forth below.

- 1. Indemnification Agreement:** Provide a completed indemnification agreement specific to the entity indemnifying the license. Corporations and Limited Liability Companies must also provide a resolution executed by the indemnifying Corporation or Limited Liability Company authorizing the execution of this agreement.
- 2. Financial Statement Requirements:** You must submit a current financial statement (statement) that meets the following criteria.
  - Financial statements must be for the applying entity. Sole proprietorships and each general partner of a general partnership must submit their personal statement.
  - All statements must be in U.S. dollars.
  - All statements must include full disclosures.
  - Business statements must include a classified balance sheet.
  - Personal statements that have been prepared by a Certified Public Accountant must include a supplemental schedule disclosing working capital and net worth.

### **For License Monetary Limits of \$10,000 or less you must provide one of the following:**

- A current financial statement prepared by an independent certified public accountant; or
- A current financial statement submitted on a form prescribed by the Board (available on the Board's website [www.nscb.state.nv.us](http://www.nscb.state.nv.us), click on contractor forms); or
- A current financial statement (Balance Sheet) prepared using accounting software in accordance with generally accepted accounting principles and accompanied by an affidavit that verifies the accuracy of the financial statement.

\*To prevent a delay in the processing of your application, if you are unfamiliar with preparing your own financial statement, you are encouraged to seek the advice of an Accountant.

Note: Self-prepared or compiled statements must be current to within six months from the date the application is received.

### **For License Monetary Limits more than \$10,000 but less than \$50,000 you must provide one of the following:**

- A compiled financial statement prepared by an independent certified public accountant, current within 6 months from the date the application is received; or
- A reviewed or audited by an independent certified public accountant, current within one (1) year from the date the application is received.

### **For License Monetary Limits of \$50,000 or more but less than \$250,000 you must provide one of the following:**

- A compiled financial statement with full disclosures, prepared by an independent certified public accountant, current within 6 months from the date the application is received; or
- A reviewed or audited by an independent certified public accountant, current within one (1) year from the date the application is received.

**For License Monetary Limits of \$250,000 or more:** you must provide a financial statement that is prepared and **reviewed or audited** by an independent certified public accountant, current within one (1) year from the date the application is received.

- 3. Bank Verification Form:** A bank verification form must be completed by you and your bank and submitted with the application.



