



Financial Requirements for Licensing - Practice Note 1 - Process

Step 1: Ensure that you are completing the correct forms

All Independent Review Reports and Audit Reports for applications and renewals must be completed on the forms contained in the BSA's Financial Requirements for Licensing.

Step 2: Determine the Annual Turnover for the 12 month period

The Actual Annual Turnover for the year of Review (ie: previous year) will determine the particular Independent Review Report or Audit Report that must be provided that is:

Actual Annual Turnover for Year of Review	Report
Up to \$100,000 (Trade Contractor/Designer)	Statutory Declaration for Turnover under \$100,000
Up to \$300,000 (Builder/Trade Contractor/Designer)	Statutory Declaration for Turnover under \$300,000
Category 1 – 3 \$300,001 to \$12,000,000	Independent Review Report (Attachment 1)
Category 4 – 8 \$12,000,001 and Over	Audit Report (Attachment 2) OR Independent Review Report 1 st Year Only (Attachment 3) OR Independent Review Report Audit Exemption (Attachment 4)

The Actual Annual Turnover will also determine how old the financial information that is relied upon to prepare the Independent Review Report or Audit Report may be that is:

On Application:

Actual Annual Turnover for Year of Review	Age of Information
Up to \$100,000 (Trade Contractor/Designer)	Not Applicable
Up to \$300,000 (Builder/Trade Contractor/Designer)	Not Applicable
Category 1 Up to \$600,000	12 months
Category 2 \$600,001 to \$3,000,000	7 months
Category 3 \$3,000,001 to \$12,000,000	4 months
Category 4 – 8 \$12,000,001 and Over	3 months (unless the company is already audited in which case the age of accounts are to be no older than the most recent audited accounts)



On Renewal:

Actual Annual Turnover for Year of Review	Age of Information
Up to \$100,000 (Trade Contractor/Designer)	Not Applicable
Up to \$300,000 (Builder/Trade Contractor/Designer)	Not Applicable
Category 1 Up to \$600,000	12 months
Category 2 \$600,001 to \$3,000,000	7 months
\$3,000,001 to \$12,000,000	4 months
\$12,000,001 and Over	3 months (unless the company is already audited - on 1st renewal of licence - in which case the age of accounts are to be no older than the most recent audited accounts - the licensee will be required to change next renewal date)

Step 3: Determine whether at the date selected the licensee meets the financial requirements for licensing (current ratio, net tangible asset level)

Step 4: The licensee's net tangible assets figure will place the licensee into a turnover category for the next 12 months.

Step 5: Determine what the licensee's minimum financial monitoring requirements will be for the next year based on the turnover category that the licensee's net tangible assets places it in.

Step 6: Calculate the licensee's allowable annual turnover using the licensee's stated net tangible assets figure and the formula contained in the financial requirements for licensing.