

Would your numbers survive a surety's red pen?

Mike runs a \$22M mechanical contractor. He's never missed payroll, never blown a job. So when his bonding agent called to say the program was frozen, he assumed it was a paperwork mix-up. It wasn't. The surety had read his work-in-progress schedule more carefully than Mike ever had — and the schedule was telling a story Mike didn't know he was telling.

Most owners don't lose bonding capacity because the work is bad. They lose it because the **reporting** is. Work through the 16 questions below the way a surety underwriter or a sharp CFO would. Check one box per question, add up the points, and find your band on the last page. It takes about five minutes and it is honest only if you are.

PART 1 — WIP SCHEDULE ACCURACY

Does your schedule tell the truth?

1. How often do you produce a **complete** WIP schedule (every open job, not just the big ones)?

- | | | |
|--|--|--|
| <input type="checkbox"/> Every month, on a set close calendar
(3 pts) | <input type="checkbox"/> Quarterly, or when the bank asks
(1 pts) | <input type="checkbox"/> Mainly at year-end for the CPA
(0 pts) |
|--|--|--|

2. Does your WIP schedule **tie out** to your income statement and general ledger each period?

- | | | |
|--|--|--|
| <input type="checkbox"/> Yes — reconciled every close
(3 pts) | <input type="checkbox"/> Roughly; in the ballpark
(1 pts) | <input type="checkbox"/> We don't reconcile WIP to the GL
(0 pts) |
|--|--|--|

3. Who updates the **estimated cost-to-complete** on each open job?

- | | | |
|--|---|--|
| <input type="checkbox"/> PMs / ops own it, refreshed every period
(3 pts) | <input type="checkbox"/> Accounting estimates it from the desk
(1 pts) | <input type="checkbox"/> Rarely updated once the job starts
(0 pts) |
|--|---|--|

4. How do **change orders** hit your schedule?

- | | | |
|---|--|---|
| <input type="checkbox"/> Booked when approved, priced in
(3 pts) | <input type="checkbox"/> Booked late or lumped together
(1 pts) | <input type="checkbox"/> Unpriced work sits in costs, no revenue
(0 pts) |
|---|--|---|

5. Do you track **gross-profit fade** (bid margin vs. current projected margin) job by job?

- | | | |
|---|---|---|
| <input type="checkbox"/> Yes, every open job
(3 pts) | <input type="checkbox"/> Only the few largest jobs
(1 pts) | <input type="checkbox"/> We don't measure fade
(0 pts) |
|---|---|---|

6. Are **under-billings** (costs & earnings in excess of billings) reviewed and explained monthly?

-
- Yes — aged, owned, explained (3 pts) We see the number, rarely dig in (1 pts) We don't really look at it (0 pts)
-

7. Do you treat **over-billings** as cash borrowed from the job that you still owe in labor & material?

- Yes — we manage to it deliberately (3 pts) Somewhat — we know it exists (1 pts) We treat billing ahead as profit (0 pts)
-

8. Is **full job cost** (labor burden, equipment, indirects) allocated to jobs?

- Fully burdened costing (3 pts) Partially burdened (1 pts) Direct costs only (0 pts)
-

PART 2 — BONDING READINESS

Is your balance sheet built to carry more bond?

9. What level of **financial statement** does your CPA produce?

- Audited or reviewed (3 pts) Compiled (1 pts) Tax return only (0 pts)
-

10. Do you know your **working capital** (current assets – current liabilities) and review it monthly?

- Yes — to the dollar, monthly (3 pts) Roughly, a couple times a year (1 pts) Not really tracked (0 pts)
-

11. Do you have a **committed bank line of credit** with real availability?

- Yes — committed, room on it (3 pts) Small or mostly drawn (1 pts) No line in place (0 pts)
-

12. Do you track **backlog** and the gross profit inside it?

- Yes — backlog and the GP in it (3 pts) Backlog dollars only (1 pts) We don't formally track backlog (0 pts)
-

13. How **current** is your financial reporting?

- Closed within ~15 days (3 pts) 30–45 days behind (1 pts) Months behind (0 pts)
-

14. Do you know your **single-job and aggregate bond limits** and how close you are?

- Yes — both, and our headroom (3 pts) Vaguely (1 pts) No (0 pts)
-

15. Is there a **controller or CFO** who owns the numbers?

- Yes — a dedicated finance leader (3 pts) A bookkeeper handles the basics (1 pts) Owner / spouse does it after hours (0 pts)
-

16. Is there a **continuity / succession plan** the surety can actually see?

Yes — documented
(3 pts)

Informal understanding only
(1 pts)

Nothing in place
(0 pts)

YOUR SCORE

Add it up

Total the points you checked in each part, then add the two together for your readiness score out of 48.

Part 1 — WIP Accuracy	_____ / 24
Part 2 — Bonding Readiness	_____ / 24
TOTAL	_____ / 48

Read your band

**36–48
BOND-READY**

Your reporting is doing its job. An underwriter sees a contractor who knows the numbers and manages WIP deliberately — the profile that earns capacity increases. Now play offense: position working capital and backlog to ask for **more** program.

**22–35
ON THE WATCH
LIST**

Real strength, with gaps a careful underwriter will find. Your capacity is likely capped by a handful of reporting and balance-sheet habits, not by your work. These are the most fixable problems in construction finance — closing two or three usually moves the needle faster than landing another job.

**0–21
EXPOSED**

The work may be excellent, but the numbers aren't telling that story to the people who set your bond line. A schedule that doesn't tie out or under-billings nobody explains read as **risk** — even in a healthy company. Recoverable, but it needs attention before the next bond request, not after.

Get a second set of eyes before the surety does

Book a 25-minute WIP & Bonding Review with C-Suite Support. We read your schedule and balance sheet the way an underwriter would and tell you the two or three moves that free up the most capacity. No pitch, no cost.

Book at: calendly.com/c-suite_support/25-minute-interview-1

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This self-check is an educational tool, not an accounting, bonding, or legal opinion. Your surety and CPA determine your actual capacity.