

Required Financial Documents

1. Tax Return Extract

You must submit the tax return extract for the most current year in which a tax return has been filed.

- DO NOT submit the entire tax return. Only send the required pages, depending on your business type.
- The required pages of the tax return and the financial statements discussed below must cover the **SAME** 12-month accounting period.

Parent/Subsidiary – If your organization is a subsidiary of a parent organization and you file your own tax return, you must submit your own tax return extract and your own financial documents. However, if you, the subsidiary, do not file your own tax return, you must submit the parent organization's tax return extract and the parent organization's financial documents. A combination of financial documents from both the parent and subsidiary companies is **not** acceptable.

Municipality – and state-owned entities – If your organization is a municipality-owned or state-owned entity that does not submit tax returns, you are not required to submit a tax return extract. However, you must include a copy of your tax exempt certificate or other documentation certifying that you are tax exempt. You are still required to submit the required financial statements and credit report with a credit score (credit report must contain name and a date).

2. Financial Statements (You must submit all 3 financial statements)

The **Income Statement** must include:

- Revenues
- Adjustments to revenues (if applicable)
- Cost of goods sold (if applicable)
- Expenses by category such as salary, utilities, rent, etc.
- Net income/loss

The **Balance Sheet** must include:

- Current assets
- Total assets
- Current liabilities
- Total liabilities
- Stockholders' equity or owner's capital

The **Statement of Cash Flows** must include:

- Cash flow resulting from operating activities
- Cash flow resulting from financing activities
- Cash flow resulting from investing activities
- Beginning and ending cash balances

Financial Statement Requirements

- All financial statements must be for the most current year (either fiscal or calendar) in which a tax return

was filed with the Internal Revenue Service (IRS). The tax return extract must be either a 2013 or 2014 tax return.

- All financial statements must be for the **same** 12-month accounting period and match the year of the tax return. Individual financial statements for each month are not acceptable. For example, if the tax return was filed for calendar year 2013, the financial statements must also be for calendar year 2013. If the tax return was for fiscal year 2013, the financial statements must also be for fiscal year 2013.
- If your 2013 or 2014 tax return filed was for less than 12 months, the financial statements that correspond to the same partial year tax return are required. Financial statements (actual or pro forma) for months subsequent to the tax return must be submitted to meet the 12-month requirement.

For example, a new supplier that started its business on July 1, 2013, and submits its tax return on a calendar year basis, must submit an initial tax return for the six month period from July 1, 2013, through December 31, 2013, along with corresponding financial statements for the same period. To meet the 12-month requirement, the supplier must also submit the actual financial statements for the period from January 1, 2014, through June 30, 2014.

For any situation in which a tax return covers less than 12 months, financial statements matching the partial year tax return period plus separate pro forma financial statements for the subsequent months (to meet the 12-month requirement) must be submitted.

- The financial statements must be prepared on the accrual or cash basis of accounting.
- Each financial statement must correspond with related financial statements. For example, ending cash on the statement of cash flows must equal ending cash on the balance sheet.
- Each financial statement's information must accurately total. For example, in the balance sheet, total assets must equal the sum of total liabilities and owner's equity.
- Financial statements should be prepared in accordance with generally accepted accounting principles (GAAP).
- Forms you submit to federal agencies for other purposes, such as Small Business Administration forms, are not acceptable substitutes for financial statements.
- For parent/subsidiaries – financial statements should be at the same organization level as the tax extract. For example, if a subsidiary's parent organization files the tax return, the financial statements provided by the subsidiary must be at the parent organization level. A subsidiary that files its own tax returns must submit its own financial statements (i.e., they must be at the subsidiary level). Similarly, an organization that has different lines of business and submits a tax return at the organization level, not according to the product line, must submit its financial statements at the organization level.
- We strongly recommend that the financial statements be compiled, reviewed, or audited by an accounting professional and that you provide the accounting professional a copy of the [Request for Bids \(RFB\) instructions](#) along with the **Required Financial Documents by Business Type Chart** to help ensure that you meet all documentation requirements.
- You must include all documents as identified for your business type in the RFB in **Appendix C: Required Financial Documents by Business Type Chart**.

3. Credit Report with Numerical Credit Score

You must submit a copy of your credit report with numerical score (report must include your company's name and date) that was prepared no earlier than **90 days prior** to the opening of the bid window by **one of the five** approved credit reporting agencies:

1. Dun & Bradstreet
2. Experian
3. Equifax
4. TransUnion
5. Standard & Poor's

Credit reports from other companies will **not** be considered.

Credit reports must include your name and a date along with a numerical score. The only exception is an alpha score from Standard & Poor's. Any other forms of gauging credit other than a numerical score (such as arrows indicating relative value of credit or the number of days beyond term) are not acceptable. In addition, a credit summary does not qualify as an acceptable credit report.

If your organization's credit report is not available, a personal credit report with a numeric score for the principal business owner is acceptable as long as it is prepared by an acceptable credit reporting agency no earlier than 90 days prior to the opening of the bid window. However, a personal credit report with score is not acceptable from bidders filing a regular 'C' corporation tax return (Form 1120), except in cases of newly formed corporations.

Basic Requirements to Check When Preparing Your Financial Documents

- Balance Sheet
 - The balance sheet must balance – total assets must equal the sum of total liabilities and owner's equity.
- Statement of Cash Flows
 - The net income reported on the statement of cash flows must equal the net income reported on the income statement.
 - The ending cash balance reported on the statement of cash flows must equal the ending cash reported on the balance sheet.
 - A cash reconciliation must be included that reflects beginning and ending cash balances as well as the net increase or decrease between the two. The net change must equal the change in cash reported on the statement of cash flows.
- Credit Report
 - The credit report with score must be dated.
 - The credit report must include name and date.
- Tax Extract
 - The tax extract and financial statements must be for the same time period.
 - The tax return extract must be either a 2013 or 2014 tax return.
 - Suppliers that submit a tax extract for a period less than 12 months should ensure that financial statements (actual or pro forma) for months subsequent to the tax return are submitted in order to meet the 12-month requirement.
- Financial Statements for Parent/Subsidiaries:
 - Financial statements should be on the same organizational level as the tax extract. For example, if taxes are filed by the parent organization and not the subsidiary, the financial statements and tax extract must be submitted for the parent.

How to Submit Your Hardcopy Document Package

Submit ONE package of documents per bidder number, regardless of the number of Form Bs you complete.

- To ensure your documents are associated with the correct bidder, your bidder number must be on EACH PAGE of EVERY document. Your bid may not be processed unless you include your bidder number on each page. You will be assigned a bidder number after you complete the business organization section in Form A of DBidS. Your bidder number will appear in the upper left corner on each page of your bid form in DBidS.

- Submit all documents in loose page format – no binders, folders, spiral binding, staples, or paper clips.
- Submit ONLY the required documents. Do NOT include other documents such as bank references, personal financial statements of corporate stockholders, advertising materials, or bank statements. Only required documents will be evaluated; supplemental documents will be disregarded. The only exception to this requirement is that you may also submit additional information in the form of organizational charts or other supplemental information that explains your organization’s business structure or provides additional details about information reflected in your required financial documents.
- To ensure you comply with all requirements, please refer to the **Required Financial Documentation by Business Type Chart** and **Hardcopy Document Package Checklist** in the RFB when preparing your package.
- Hardcopy document packages must be mailed or hand-delivered to the CBIC at the following address:

Palmetto GBA
Competitive Bidding Implementation Contractor
2743 Perimeter Pkwy, Suite 200-400
Augusta, GA 30909-6499

- Faxed or e-mailed documents will NOT be considered.
- All hardcopy document packages must be **RECEIVED** by the CBIC on or before March 25, 2015. Please send your package early by a method that can be tracked and requires a signature upon receipt. You should check with your common carrier or courier to determine the best method of delivery. We suggest you track your document package after it has been sent to ensure timely delivery.
- Document packages that are not received by March 25, 2015, will not be considered under any circumstances.
- Only CDRD eligible financial documents identified and requested in a written notification from the CBIC as a result of the CDRD process will be considered after the close of the bid window (see the [Covered Document Review Date](#) fact sheet).

Special Instructions for Specific Bidder Types

Commonly Owned or Commonly Controlled Suppliers

For commonly owned or commonly controlled suppliers, each organization’s financial and non-financial documents must be submitted in ONE package. For example, if you are bidding with five other suppliers and you are all commonly owned, you must submit six complete sets of required financial documents in one hardcopy package (one set for each of the suppliers included on the bid).

New Suppliers

If you are a new supplier that has been in business for less than one year from the date on which you submit your bid, you must submit appropriate actual and pro forma data, representing the months to which they apply, to equal a 12-month period.

For example, a supplier in business for six months would submit actual financial statements for the six months actually in business and pro forma, or prospective financial statements, for the subsequent six months. Actual and pro forma financial statements should not be aggregated or combined for the same period. This means that you cannot put pro forma information on actual statements and you cannot put actual information on pro forma statements. Actual and pro forma statements must be reported separately, and collectively they must cover a 12-month period. Each statement must cover the appropriate portion of the 12-month period.

Networks

For networks, the primary member must obtain and submit financial and non-financial documents from EACH network member in ONE package. If you have two bidder numbers because you are submitting an individual bid

for a different CBA and product category combination and also bidding as member of a network, you must submit separate hardcopy document packages for each bidder number – one package to support your individual bid(s) and one to support your network's bid(s). Each network member must submit a signed certification statement.

Please note that bidders in the national mail-order recompetes are excluded from participating in a network.

Tax-Exempt

If you are a tax-exempt supplier, you must include a copy of your tax exempt certificate or other documentation certifying that you are tax-exempt.