

BUSINESS FINANCING CHECKLIST

The following checklist (in no particular order) is meant to be used as a starting point for determining how much money you need to start your business and where it will be coming from. The list is not considered all inclusive. Check all that apply to your situation.



- Determine whether you have enough money to finance your business or if you will need to borrow. Consider the financing options below:
 - Equity Financing:** money put into the business from you, partners, or other investors:
 - Personal savings or other assets
 - Family and/or friends
 - Community and/or associations
 - Venture capital
 - Investment through a partnership or other businesses
 - Debt Financing:** the money your business borrows:
 - Check your credit history
 - Write a business plan: your lender will mostly likely need to see it. It will also help to determine your estimated start-up costs.
 - You can write it yourself
 - You can get assistance from a professional
 - Or a combination
 - Focus on writing and understanding your financial statements
 - Choose a lender. Consider the following options:
 - Banks or credit unions
 - Government programs
 - Private investment companies
 - Home equity loan
 - Life insurance
 - Retirement plan
 - Grant/Subsidies
 - Line of credit
 - Credit card
 - Plan to talk with professionals such as accountants, lawyers, financial advisors, and/or business consultants before you enter into any financial agreement.
- Potential criteria lenders look at to determine whether or not you qualify for funding:
 - Credit score
 - Your education/experience
 - How much money you are looking to borrow
 - How much money you are personally investing in the business
 - Your business plan
 - How long until you will be able to pay the money back
 - What personal assets you own
 - What you are using the money for
 - How long you have been running the business
 - A personal guarantee
 - Type of business (low or high risk)
 - Developing good bank relationships:
 - Find out the services your bank offers
 - Give the bank manager all the information required
 - Be on time with all documents, payments and meetings
 - Borrow only what is necessary and when necessary
 - Adjust the loan level as the loan requirements change
 - Make realistic repayment commitments
 - Be prepared to provide security or a guarantee for the loan
 - Be aware of the risks associated with the methods you use to finance your business.

For more information or assistance, please contact **The Business Link** toll free at 1 800 272-9675.