

Preparing for FINANCING

When your business requires financing, whether for start-up or expansion, there are certain documents that will be required and you should prepare that information in advance.

The following are a list of the items that you should bring with you when approaching any investor/lender for funding.

1. Your Business Plan, complete with Executive Summary and Financial Forecasts. If you are a start-up or expanding include with the package any new contracts, Memorandums of Understanding and/or Letters of Intent.
2. If you are in business, you will need to provide the last 3 years of financial statements. If you are considering purchasing a business, try to obtain 3 years financial statements from the previous owner.
3. A Covering Letter outlining how much money you are looking to borrow and what that money will be used for. This information could also be included in your Executive Summary. To summarize this information, complete a “*Use and Source of Funds*” Sheet.
4. Fill out the “*List of Personal Assets*” Sheet. This will provide the investor with information on what Personal assets you have. These assets may be required as collateral, or pledged to secure the money you are asking to borrow. This information will most likely be requested on any financing application form. Preparing this information in advance will speed up the application process.
5. Your Business assets should be listed in your existing financial information. If you are starting a business and have assets that you are going to contribute to the business (eg. equipment, computer, etc.), then these items should be included in ‘Use of Funds’, and the approximate market value should be listed as a owners/shareholders investment under ‘Source of Funds’.
6. Know your personal credit history. Run an Equifax on yourself and your business before you see a lender. This way you can correct any inaccuracies in your report prior to review by an investor and/or have back-up documentation for any other possible discretions on your credit report. Contact Equifax by phone at 1-800-465-7166 or visit their website at www.equifax.ca. This site also provides good information on what a credit report is, its contents and who uses this information.

USE AND SOURCE OF FUNDS

List your Requirements for funding and where you will get the money. Provide as much detail as you can for what you will **Use** the money for (eg. purchase equipment, working capital expenses, legal fees, etc.). The **Source** of funds could include Lending Institutions (bank, credit union, Community Futures), vendor financing or equity investors (perhaps friends or relatives), but should also include what money that you are investing.

A. USE OF FUNDS: (List business expenses or items that the funding will be used for)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL A	\$ _____

B. SOURCE OF FUNDS: (List where the money will come from to pay for the above expenses)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL B	\$ _____

Note: Total A should equal Total B

LIST OF PERSONAL ASSETS

Personal Assets (Dollar Value)

Personal Liabilities (Dollar Value)

Real Estate:	\$	Mortgage:	\$
Cash (Chq/Savings Acct)	\$	Bank Loans:	\$
Stock/Bonds/RRSP's:	\$	Vehicle Loans:	\$
Vehicle:	\$	Vehicle Lease: Monthly Payments Years Left On Lease: _____	\$
Shares in Other Companies:	\$	Charge Cards: (Balance Owing)	\$
Serial Number Goods: (Snowmobile, boats, motors, ATV's etc)	\$	Owing To:	\$
Serial Number Goods: (Computer, electronic, etc)	\$	Owing To:	\$
Other Serial Number Goods:	\$	Owing To:	\$
Value of Existing Business: (Equity value on Balance Sheet)	\$	Personal Taxes Owing: (Property/Income)	\$
Other Assets:	\$	Other Liabilities: (Co-signer Loan Guarantor)	\$
Other Assets:	\$	Other Liabilities: (Alimony/Child Support Payments)	\$
Other Assets:	\$	Other Liabilities:	\$
Other Assets:	\$	Other Liabilities:	\$
Other Assets:	\$	Other Liabilities:	\$
Other Assets:	\$	Other Liabilities:	\$
TOTAL ASSETS:	\$	TOTAL LIABILITIES:	\$

Real Estate

Principal Residence Address:			
Years There:	Own	<input type="checkbox"/>	Rent <input type="checkbox"/>
Real Estate Address:			
Year Purchased:	Price :\$	BC Assessment Value: \$	Year:
Year of Last Appraisal:	Value:		
Mobile Home S/N:	Manufacturer Date:		
1st Mortgage to:	Address:		
Original Amount: \$ Rate: %	Monthly Payment: \$	Balance: \$	
Are the property taxes current?:			
		Yes <input type="checkbox"/>	No <input type="checkbox"/>