



**Assistance for Small
Businesses**

Community Action Network

Types of Assistance Needed

Financial

- Checking accounts
- Loans
- Equity

Technical

- Finances
- Management
- Operations

Sources of Funds

- Savings
- Friends
- Family
- Credit Unions
- Banks
- “Factorers”
- Non-Profit Lenders

What's a "Factorer"?

Entity which purchases another company's accounts receivable often at a discount.

Advantages

- Quick Capital for Business
- Does not look at the credit worthiness of the Business or Owner

Disadvantages

- More costly than traditional line of credit
- Does not significantly assist in building credit

What's a Non-Profit Lender?

Non-profit entity with loan products very similar to a banks, but often combine loans with technical assistance.

Advantages

- Willing to take greater risk than Bank
- Provide technical assistance

Disadvantages

- More costly than bank

Fundamentals

Can the business repay the debt?

Cash Flow

What if cash flow can't repay debt?

Collateral

Guarantor

General Requirements

On Business

- Business Plan/History
- 3 Years Tax Returns
- 3 Years Business Financial Statements
- 1 Year Projections
- Contract Specifics

On Owners/Guarantors

- Personal Financial Statement
 - including Assets, Liabilities and Cash Flow
- 3 Years Tax Returns

Technical Assistance

Trade Skills
vs.
Business Management

Successful businesses are those that are able to provide the needed good or service while constantly managing the day to day operations of the business.

Tips for current economy

- Watch your accounts receivable.
- Evaluate your clients.
- Cash is king.
- Don't let assets become liabilities
- Keep creditors informed.
- Indecision becomes decision.

Local Sources

- PeopleFund www.peoplefund.org
- Accion Texas www.acciontexas.org
- BiG Austin www.bigaustin.org
- S.C.O.R.E. www.score.org
- Small Business Development Program
www.cityofaustin.org

Thank You

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