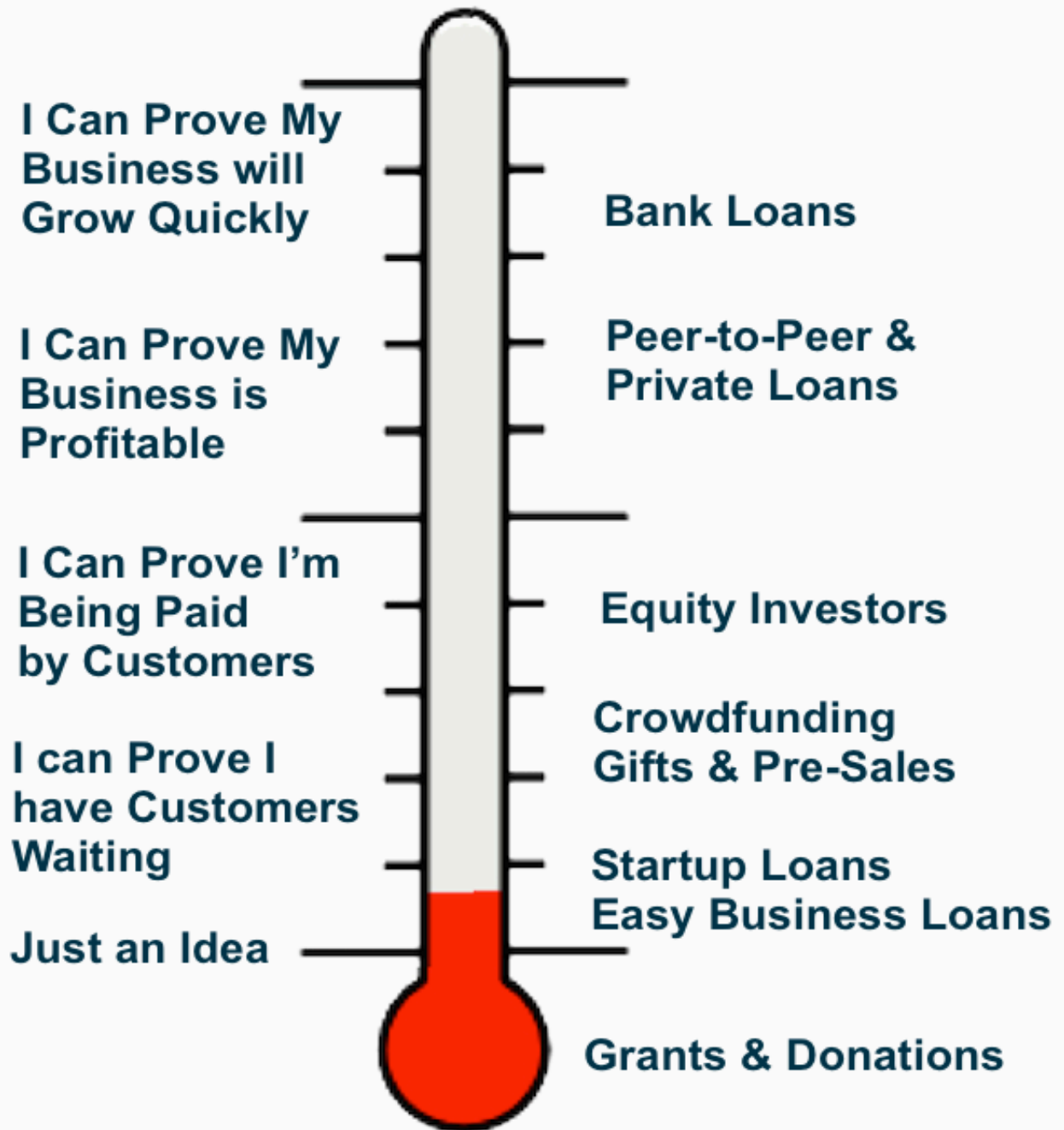


What Kind of Funding Can My Business Most Easily Qualify For?



FUNDING TYPES

Businesses pass through several stages and there's funding to be had at every stage of their development. The information you need to provide to funders varies based upon the kind of funding they provide.

GRANTS & DONATIONS

There are government agencies and charities that give funding to businesses in their earliest days. In order to get this funding, you often need to provide a business plan, resumes, and occasionally references or endorsements from third parties. It is also possible, in some circumstances, for businesses to accept tax-free donations through fiscal sponsorship and other government approved tax-advantaged mechanisms.

LOANS

Borrowing money to start your business is often a very risky thing to do. If your business

idea is sound you can almost always get your customers, or those reselling your service, to give you money up front. If they won't do that, they will often agree to give you a purchase order that indicates they will pay for the products or services they want as soon as they are delivered. When they won't agree to that, they will sometimes allow you to invoice them for what they want to buy. You can borrow money against invoices and purchase orders from people who "factor" against such collateral.

Borrowing money is less expensive, but more risky, than accepting money from investors. Loans represent a fixed amount that must be repaid over time, whereas investors take part ownership of your company and sometimes a dividend based on the money the company earns. Investors have an ongoing stake in your business unless, and until, you buy them out or sell your enterprise.

Easy Business Loans

Paypal, Amazon, and other companies who provide financial payment platforms for small businesses have begun offering loans to those who use their services to complete transactions. In effect these loans are secured by the promise of future transactions on the platform. Often these loans require simply the completion of an application.

Part time business owners may, on very rare occasions, elect to borrow money from a payday lender. Frequently this funding is provided at very high interest rates but loans can be made in as little as 15 minutes. This only makes sense when delivery of the product or service to a customer will result in immediate payment that will be used to repay the loan immediately.

Private Lenders & Factors

There are many lending platforms around the world that connect private lenders, including

other businesses, with business borrowers. These transactions are frequently secured by proof from the borrower that they can repay the loan. This proof may be in the form of invoices they have outstanding, purchase orders they've received, property they own, etc. In most cases loans made on the basis of an application, sometimes supported by the results of a credit check and documents submitted by the borrower.

Trade Lines, Credit Cards, and Lines of Credit

If you have a good credit rating you can often get a credit card or a revolving line of credit for your business just by approaching your bank or credit card companies. This card will be tied to your personal credit, so that if your company fails you will still be on tap for the debt. That might be fine in the earliest days of a business, but it's not safe as your company gets larger.

You can use "secured credit cards" to establish a separate credit history for your business. You can also establish trade credit with vendors like Staples or Office Depot.

Bank Loans

Banks frequently provide loans to businesses that prove they have the assets and income to repay them. Sometimes economic development agencies, like the Small Business Administration in the US, will work with financial institutions to make it easier for certain classes of people (Veterans, Minority Business Owners, etc) to get loans more easily. In some cases banks can approve loans in as little as 24 hours.

CROWDFUNDING (GIFTS & PRE-SALES)

Startups can frequently raise money to start their business using crowd funding platforms that allow people to "donate" money in return for the promise to deliver a product, service, or a gift after the business creates it. Frequently

this is one of the easiest sources of money for a business to get, and it comes on far better terms than loans or equity investment.

INVESTORS

The easiest way to find investors willing to fund your business in return for shares of the company is to look for them on equity-based crowd funding sites. In the US, this form of funding requires that you follow REGULATION D requirements at both the national and state level.

Groups of investors sometimes band together to make investments in concert with one another. These "venture capital" groups frequently provide business owners with technical expertise, important contacts, and strategic advice, in addition to lots of funding. In return they take shares in the business and require some control over the business, it's staff, and it's operations. Frequently venture capital groups decide to support businesses

based upon a pitch, a business plan, financial documents, etc.

OTHER SOURCES OF FUNDING

There are a vast number of other sources for startup and early stage financing, including investment or loans from suppliers who depend on you for business or resellers who depend on you for products they resell, or high net worth individuals immigrating to the United States ([EB-5 Visa](#)) who can fast track their paperwork by making job-creating investments here in the US.

SUMMARY

If your company profitably produces a product or service people want, you can always find a way to get the funding you need.