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Frequently Asked Questions About Accounts Receivable Funding:

Is accounts receivable funding a new financing option?

Accounts receivable funding is one of the oldest forms of financing. It has been around in one form or another for more than 4,000 years. Until the mid 1980s, most people thought accounts receivable funding was only used in the textile and garment industries. Today, accounts receivable funding is a widely used and viable financing solution for all types of businesses that extend credit terms to their customers.

How can accounts receivable funding help my business?

By providing an immediate source of cash flow for your company. You can use this cash to provide working capital, meet payroll, pay taxes, replenish inventory, increase advertising, purchase equipment, improve your credit rating, and much more.

How is accounts receivable funding from a factor different than accounts receivable financing from a bank?

When making a funding decision, a factor will focus on the creditworthiness of your customers while banks will focus on your company's financial history and cash flow. Best of all, a factor will make a quick funding decision, while banks may take weeks—even months—to approve a loan.

Will my company be eligible for accounts receivable funding if it has a bank loan or line of credit?

If a bank has a lien on your company's accounts receivable, you should let us know right away. We will ask the bank to subordinate that lien in favor of the factor. This is a common occurrence, most banks will accommodate the request, but we must know this information in advance.

My company owes back taxes. Can I still apply for accounts receivable funding?

Yes, Tax problems are handled on a case-by-case basis. Please let us know immediately so that factor can discuss the payoff of your back taxes or a lien subordination with the IRS.

I have had a past bankruptcy, is accounts receivable funding still an option?

Yes, factor will still consider your application even if you have credit problems or a past bankruptcy.

What information will factor need from my company to begin the accounts receivable funding process?

Along with the application, be sure to include your company's most recent accounts receivable and accounts payable aging reports, Articles of Incorporation or DBA filing, a master customer list, copy of your ID (i.e. driving license or passport) and a sample invoice with sample supporting documentation (i.e. Proof of Delivery, Order, Contract etc.). For startups, please also submit a business plan and projected sales forecast, and an owner/officer history and profile.

Which customers would be good candidates for accounts receivable funding?

Factors look to fund all of your customers. First, factor will need their names, addresses, phone numbers and the amounts of credit desired. This will save you time when submitting invoices. Anytime you obtain new customers, fax the same information to factor and they will be checked out.

How long does it take to receive the first funding?

The initial funding takes between 1-3 business days after we receive your signed contract. If you wish, you can send your invoices to be funded with the signed contract. After the initial funding, your company can receive funds usually within 24 hours after verification.

Does factor purchase outstanding invoices?

Yes. For the first funding only, factor can purchase your invoices from your outstanding accounts receivable subject to verification.

Are accounts receivable funding fees tax deductible?

Accounts receivable funding fees are an expense and should be treated as such.

Does Factor verify invoices with my customers?

Invoice verification is an essential, and accepted, part of funding. Because factors verify invoices with customers, they can tell clients if there is a customer service problem right away. A non-factoring client may not notice the problem until the invoice becomes past due. By that time, it may be too late to save the account. For the process to run smoothly, you call your customers or send them a letter in advance to let them know that you are now working with a factor. If you need assistance in writing the notification letter, a sample letter will be provided.

What should I do if my customer mistakenly sends the payment to my company?

This might happen, especially with the first invoice. If this occurs, the check must be sent to factor immediately. Your company should never deposit invoice checks since factor is also providing you with A/R management services. The factor also asks that you notify your customer to pay factor directly in the future.

How can I be certain that the factor will treat my customers well?

The last thing we want is for you to lose a customer. Factor is not a collection agency. A factor will never harass your customers for money. Maintaining your customers' goodwill and confidence are of utmost importance to us! In the last year the factor collected \$5 Billion in accounts receivable and have extensive experience in handling the management of customers Accounts Receivable.

Once This Application Is Completed, Please Fax To: 904-513-9229.

Telephone: 904-551-6090

CONFIDENTIAL CREDIT APPLICATION AND COMPANY PROFILE FOR FACTORING

PLEASE TYPE OR PRINT

GENERAL BUSINESS INFORMATION				
Legal Name of Business / Corporation				
Trade Name (DBA)				
Primary Business Address				
Alternate Mailing Address				
Telephone	Fax	Cell #	Email	
Legal Form of Business <input type="checkbox"/> Corporation (State _____) <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other _____				
Federal Tax ID#	D.U.N.S. #		Years in Business	
Type of Business (Describe Products or Services)				
Bank	Name	Address	Phone	
Checking Acct #	Savings Acct #		Loan #	
Accountant	Name	Address	Phone	
Attorney	Name	Address	Phone	
Landlord	Name	Address	Phone	
Referred By				

ACCOUNTS RECEIVABLE INFORMATION (Please supply A/R Aging and Customer Names and Addresses or complete Addendum A)				
Total Receivables Outstanding	(0-30 days)	(31-60 days)	(61-90 days)	(OVER 90 days)
\$	\$	\$	\$	\$
Average Monthly Sales \$		Amount of financing requested \$		
Average Number of Invoices per Month		Average Invoice Value \$		
Total Number of Customers		Average Number of Customers Sold to per Month		
Average Number of Days to Collect	Write-off percentage		Receivables generated from:	
			<input type="checkbox"/> Goods <input type="checkbox"/> Sale of Services <input type="checkbox"/> Other	
Terms of Sale	Purpose of Loan/Use of Funds?			

BACKGROUND INFORMATION (Please Explain Any "Yes" Answers)		
Has the Company ever factored or pledged its receivables as collateral?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Are there any loans, private or commercial, now outstanding?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Are any extended terms granted in respect of receivables?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Are any Federal or State taxes, including Payroll Taxes, delinquent?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Are there any Judgements or Liens now pending or in effect against the company?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Has the Company or any of its Principals ever filed for Bankruptcy protection?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Has any Owner, Officer, or Principal Manager of the Company ever been convicted of a felony?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Do you use a payroll service such as ADP, Paychex or your bank?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Does the company do business from more than one place?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Please List:
Has the Company ever operated under a different name?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:
Do you have any ownership in other companies?	<input type="checkbox"/> No	<input type="checkbox"/> Yes, Explain:

OWNER/OFFICER INFORMATION			
Owner/Officer			
Street Address			
City		State	Zip
Social Security #	Driver's License	Date of Birth	
Position	Ownership Percentage	Phone #	
Owner/Officer			
Street Address			
City		State	Zip
Social Security #	Driver's License	Date of Birth	
Position	Ownership Percentage	Phone #	
Owner/Officer			
Street Address			
City		State	Zip
Social Security #	Driver's License	Date of Birth	
Position	Ownership Percentage	Phone #	

OTHER INFORMATION

SUPPORTING DOCUMENTATION	
Please include the following documents with your application: (these are required for the application to be moved forward)	
<input type="checkbox"/> Detailed Accounts Receivable Aging <input type="checkbox"/> Master Customer List with names, address and telephone numbers <input type="checkbox"/> Recent Financial Statements <input type="checkbox"/> Sample invoices, & supporting doc's (POD, Order etc.)	<input type="checkbox"/> Detailed Accounts Payable Aging <input type="checkbox"/> Copy of I.D. (drivers license or passport) <input type="checkbox"/> Copy of Articles of Incorporation, LLC Certificate of Membership or Partnership Agreement
<input type="checkbox"/> The above items are enclosed <input type="checkbox"/> The above items have been dispatched under separate cover and will arrive _____	

AUTHORIZATION TO RELEASE INFORMATION			
<p>The information supplied in this Confidential Financing Application, Company Profile form, and all forms and documents submitted (collectively the "Application") to BRT Financial, Inc., and/or its Assignee (collectively "Funder") in connection herewith is true and correct to the best of my/our knowledge and belief. I/we hereby authorize Funder to investigate my/our financial responsibility and credit worthiness and will provide financial statements, tax returns, or other materials or information as requested by Funder and to verify any information provided from any source Funder may choose. I/we grant Funder the right to procure any and all credit or other investigative reports to any party to this application. I/we grant Funder the right to release any of the information contained herein or any results from any investigation of the information contained herein to any third party that may become part of any financing transaction between applicants and Funder or to whom Funder may refer this applicant to for funding. I/we further grant to any source from which Funder has requested information about applicant(s), the authorization to release such information to Funder. Applicant acknowledges that Funder will rely on the information provided herein to make its credit decision regarding Applicant. This Application has been completed and signed under penalty of perjury. A photocopy, including a fax copy, of this authorization may be accepted as an original.</p>			
Signature	Print Name	Title	Date
Signature	Print Name	Title	Date
Signature	Print Name	Title	Date

ADDENDUM A – Details of Key Accounts Receivables

CUSTOMER PROFILE (Largest or Most Active Accounts)		
Company Name	Contact	
Street Address		
City	State	Zip
Phone	Fax	
Account Number	Monthly Volume \$	

Company Name	Contact	
Street Address		
City	State	Zip
Phone	Fax	
Account Number	Monthly Volume \$	

Company Name	Contact	
Street Address		
City	State	Zip
Phone	Fax	
Account Number	Monthly Volume \$	

Company Name	Contact	
Street Address		
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Phone	Fax	
Account Number	Monthly Volume \$	

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Street Address		
City	State	Zip
Phone	Fax	
Account Number	Monthly Volume \$	

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Street Address		
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Account Number	Monthly Volume \$	

Company Name	Contact	
Street Address		
City	State	Zip
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Account Number	Monthly Volume \$	

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