



[www.funding4you.com](http://www.funding4you.com)

**YOUR HOW-TO GUIDE TO  
ACCOUNTS  
RECEIVABLE  
FACTORING**

**Want to learn more about factoring?**

**This guide will tell you everything you need to know to quickly obtain working capital for your business – without incurring debt!**

# WHAT IS **FACTORING?**

Factoring is a financial transaction in which a business sells its accounts receivable (i.e., invoices) to a third party (called a factor) at a discount.



## HOW FACTORING WORKS

- You deliver your goods or services to your customer as agreed.
- You produce an invoice, which you will submit to your customer and the factor.
- The factor will verify your invoice and wire the bulk of the funds (75-80% of the invoiced amount) into your bank account.
- The factor waits for payment from your customer. The finance company receives payment for the invoice.
- You receive the remaining 20-25% of the funds, less the factor's fee.

With accounts receivable factoring, you are free to operate and grow your business without waiting for your invoices to be paid. Factoring is a great option for small business owners who want to improve their cash flow without going into debt. It's an easy, safe, and fast financing tool to provide working capital to your growing business.

# BENEFITS OF FACTORING

Quickly convert your invoices into cash

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Avoid the hassles of collecting on your delinquent invoices

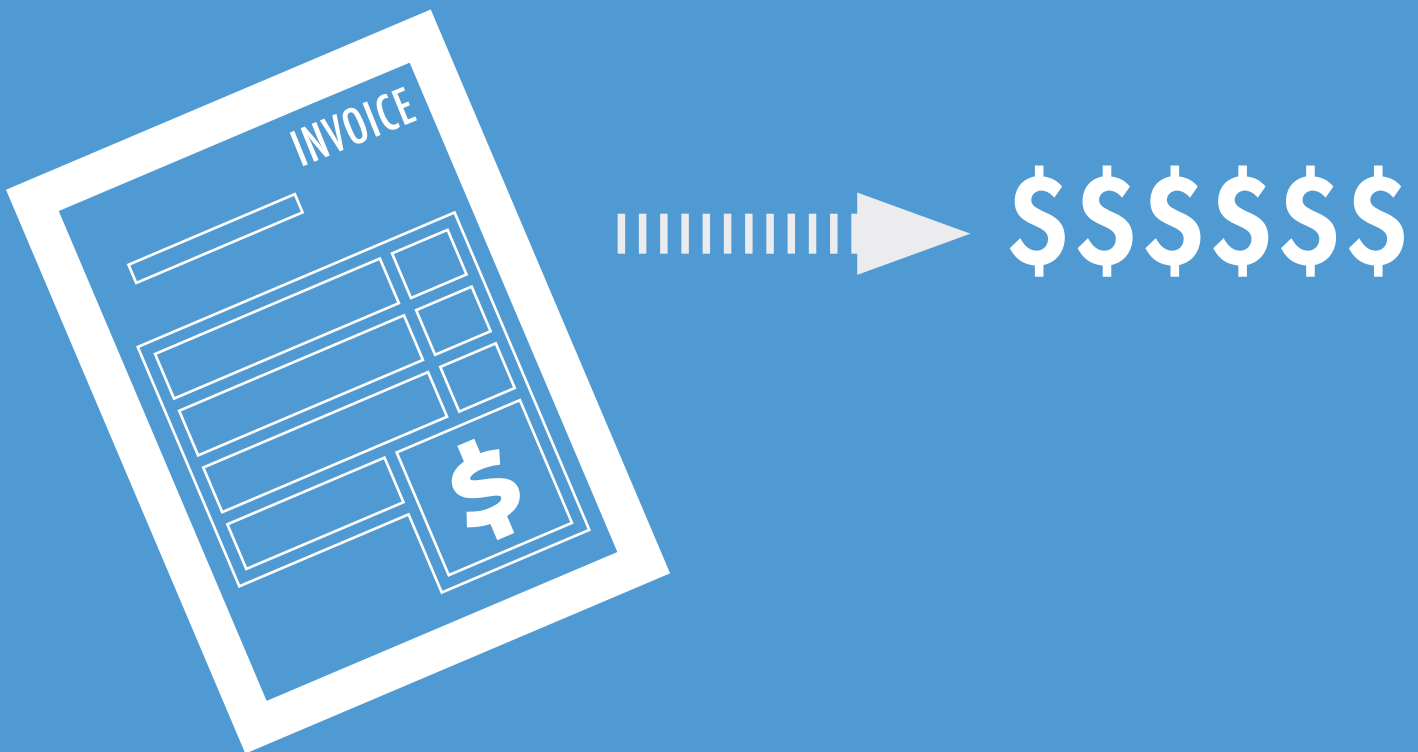
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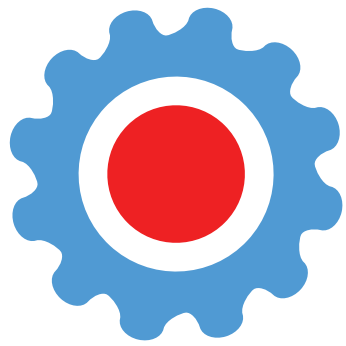
Cut down on your administration costs by letting someone else manage your bookkeeping

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Create a steady, stable cash flow for your business

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# GETTING STARTED IS EASY

Before we can approve your business for factoring, we must receive your completed application and conduct a review of your receivables, customers, and invoice history. The entire process generally takes 5-7 days.

1. Visit [funding4you.com/apply](https://funding4you.com/apply) to get started and complete your application.
2. Use the checklist on the following page to prepare and submit your documents.

## Prepare the following documents to submit to us:

- ☐ Accounts receivable aging schedule
- ☐ Accounts payable aging schedule
- ☐ Customer list – Include name, address, phone, and contact person (Please denote which customers you would like to factor)
- ☐ Copy of contracts – if applicable
- ☐ Company financial statements – if available
- ☐ Copy of articles, incorporation or DBA filing with state
- ☐ Copy of business Tax ID number
- ☐ Copy of business tax returns – last year (or personal return if sole proprietor)
- ☐ Copy of last quarter's employee payroll tax payments (if business has employees)
- ☐ Enlarged copy of driver's license
- ☐ Copy of invoices to factor (and related documents, purchase orders, delivery confirmations, bill of lading, etc.)

After we review your paperwork, we'll prepare your factoring contract so that you can sign your agreement and receive your cash!

**Questions about factoring? Please visit [www.funding4you.com](http://www.funding4you.com) or call 888-979-6399 to learn more!**

# American Funding Solutions

888-979-6399  
[www.funding4you.com](http://www.funding4you.com)