

### Prepare, Prepare, Prepare If You Want to Get Your Bank Loan

Getting a bank loan for your business may be more difficult than usual in today's troubled economy. However, if you give your bank a thorough, organized, and well-supported loan proposal, you will increase your chances of getting the money your business needs.

\* Apply early. Applying early shows that you are planning, not reacting. Also, if you wait until the last minute, you are likely to leave out necessary information.

\* Prepare a loan proposal. Many small businesses, especially first-time borrowers, fail to prepare a formal loan proposal. This is a mistake. The loan proposal, together with cover letter and supporting documentation, gives you a chance to explain your request clearly and thoroughly.

\* Give the bank what it needs to know. Be prepared to present detailed, well-supported answers to the following questions: How much money do you need? For what purpose? How long do you need it? How will you repay it? What collateral are you willing to put up, and how much is it worth?

\* Include all essential documents. With respect to your business, you will probably need at least the last three annual financial reports and tax returns, the most recent interim report, and a recent aging schedule for accounts receivable. You may also have to provide personal information, including a current personal financial statement and your last three tax returns. For business equipment and real estate, you may have to provide a recent appraisal.

\* Give bad news as well as good. Your personal character is the most important nonfinancial part of your loan proposal. Increase your credibility by revealing your financial skeletons, if any, ahead of time.

If you do your homework and prepare thoroughly, you are more likely to obtain the money you need.

Contact us for assistance in preparing your loan proposal. We provide professional accounting services to examine the accounting records and make adjustments as necessary to reflect the Generally Accepted Accounting Principles. For businesses using QuickBooks, we host the QuickBooks on our secure data server, for the most efficiency. If your financial institution requires financial reports prepared by a CPA, we prepare compiled or reviewed financials. To discuss how we can best serve your needs, please contact us to request a free thirty-minute appointment with a CPA / senior manager or shareholder of the firm.