

## Seven Ingredients of Business Borrowing

Ingredient	Action	Resources
<b>Credit History</b>	Know your credit	<a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a> (free report once a year)
		Credit Karma – App
	Seek credit counseling; actively work to improve credit history and money management	ClearPoint Credit Counseling 1-800-750-2227
	<i>Legitimate credit counseling services will never ask you to pay for credit repair!</i>	
<b>Cash Flow</b>	Separate personal & business finances	Your Management Consultant
	Acquire, implement and utilize accounting system (manual or electronic)	<a href="http://www.quickbooks.com">www.quickbooks.com</a>
	Use cash-flow tool	Your Management Consultant
<b>Character</b>	<p>Do what you say you are going to do!</p> <ul style="list-style-type: none"> <li>• Pay your taxes</li> <li>• Pay your bills</li> <li>• Arrange payment plans if necessary</li> <li>• Honor appointments</li> <li>• Check voicemail, email and respond promptly</li> </ul>	<p>Work with someone you trust who will give honest feedback.</p> <p>Participate in IDA or other financial training</p>
<b>Collateral</b>	Understand what you can pledge (real estate, vehicles, CDs & equipment are common)	Lockbox to secure titles, mortgages, & important paperwork
	Reduce your debt to free up assets	Credit Counseling above
	Purchase vehicles rather than leasing them	
	Other sources of collateral	Family & Friends
<b>Capital</b>	Understand wants vs needs	
	Open savings account	Your local bank or credit union
	Consider a credit builder account	Referral from Communities Unlimited
	Do you qualify for an IDA program?	
<b>Capacity</b>	Work in your industry	Job fairs, career counseling, student internships
	Learn about your industry	Community & vocational colleges; Trade Associations and trade journals Webinars through trade associations
	Develop an Advisory Team – Attorney, CPA, Insurance Agent, Consultant	Your Management Consultant
<b>Commitment</b>	Invest your resources (time, financial resources, mental focus) before you ask anyone else to share the risk	Your Management Consultant Family Support