



Financing



Start-up Costs

All expenses required to get the business up and running.



Initial Operating Expenses

Recurring expenses that must be covered, such as rent and wages





Working Capital

- For a start-up it is cash and liquid assets
- Working capital is needed for:
 - Debts
 - Operating expenses and taxes
 - Unforeseen expenses





Sources of Start-up Funds

- Self
- Friends and family
- Bank loans
- Other





Loan Application Requirements

- Personal financial statement and tax return of owner(s)
- Pro Forma Balance Sheet, Income Projection and Cash Flow
- Detail of total funds needed: sources & uses
- Documentation of items to be purchased
- Business plan





Loan Application Process

- Interview
- Scanning of application package
- Credit check
- Financial statement analysis
- Business plan review
- Secondary repayment sources
- Decision





Evaluation Criteria

- Cash
- Capacity
- Collateral
- Credit History
- Character





Monitoring Financial Performance

- Income Statement
- Balance Sheet
- Cash Flow Statement



Record Keeping

- Every business must keep written records
- Good records help avoid costly errors
- Tell if you are making a profit
- Provide accurate tax information
- Give you the information you need to see if and where improvement can be made



Checklist for Good Records

- Open a business account
- Pay all bills by check
- Use petty cash sparingly
- Record all sales and payments



Checklist for Good Records

- Endorse all checks immediately
- Deposit receipts often
- Label bank deposit slips completely
- Balance bank account monthly
- Inventory all items regularly



Records Retention

- Copies of Federal Income Tax Returns
(keep at least 3 to 5 years)
- Sales journals and/or receipts journals
(retain at least 5 years)
- Purchase journals and/or check registers
(retain at least 5 years)
- General ledgers *(retain at least 5 years)*



Records Retention

- Detailed depreciation schedules
 - retained until items are fully depreciated or at least 5 years, whichever is longer
- Copies of paid bills for goods and services
 - retain at least 5 years



Payroll Records Retention

- The following payroll records should be retained for at least 3 years in the event of a withholding audit:
 - Copies of W-2 forms
 - Monthly payroll records showing the actual Missouri withholding
 - Copies of the MO941 reports





Resources





Professional Assistance

- Missouri Lawyer Referral Service
 - Kansas City (816) 221-9472
 - St. Louis City & County: (314) 621-6681
 - Greene County: (417) 831-2783
 - Rest of Missouri: (573) 636-3635
- Missouri Society of Accountants
 - 1-800-959-4276





Resource Providers

- www.missouribusiness.net
- <http://www.business.mo.gov/>





Questions & Answers

Please complete the
Registration & Evaluation
Forms


