

Leasource Financial Services, Inc.

Account Receivable Financing

We use two Accounts Receivable financing affiliates depending on the dollar size of the financing. In both instances the credit decision is made by the owner of the company who makes the credit decision and signs the checks. Once we determine the dollar size, Leasource will provide the appropriate credit application to get you started. In every case you will have direct access to the decision maker.

Both affiliates provide a variety of credit facilities developed to supplement the working capital needs of growing businesses. Their primary product is an asset-based lending arrangement, which uses a company's accounts receivable as a funding base. It is very similar to bank financing, yet qualifying for it is much easier. In addition, fees accrue on the actual proceeds borrowed and not on the face amount of the invoice; thereby reducing a company's overall borrowing cost.

Accounts Receivable line of credit financing

The Accounts Receivable Financing product is based upon a daily borrowing base amount, which the software system automatically tracks. The availability of funds is based upon the borrower's sales, collections, customer mix and reporting activity. Once calculated the borrower may access funds daily up to their available credit. Advance rates typically range from seventy to eighty-five percent of the eligible invoices.

Spot financing and factoring

Select Account Financing is an alternative which allows a client to offer specific invoices of its choice to both affiliates for funding. This program is well suited for those situations when a company only needs to finance a few of its invoices or there is a large concentration of accounts receivable owed by a single customer.

Pricing

Our affiliates rely upon a cost segmentation methodology to determine its pricing strategy.

Some of the risk variables include size, profitability, margin, financial strength, collateral quality and secondary support, while the administration costs usually lie in the level of monitoring for each specific client.

Benefits

Obtaining financing through either a line of credit or invoice purchase can allow a company to smooth out cash-flow cycles. Whether meeting payroll or purchasing the raw material necessary to manufacture products, clients have daily access to money for needs that can also include:

- Taking advantage of vendor trade and quantity discounts
- Increased sales through credit extension
- Purchase equipment
- Receive a larger line of credit than available from traditional sources
- Avoid unnecessary dilution of ownership equity
- Capitalize on opportunities requiring cash
- Develop a continuous source of working capital
- Execute for bridging purpose costs
- Replace higher cost factoring costs