

This guide has been created by the Australian Government, the Australian Small Business and Family Enterprise Ombudsman, Scottish Pacific Business Finance and adapted by Lba. It aims to help you when you are looking for a capital injection to get through an urgent short-term need or to address ongoing business requirements.

It covers important steps to help you get finance fit before you seek funding so that you are in good shape for success.

### Step 1: Get business accounts in order

1. Separate personal and business accounts
2. Tidy up the books: have EBITDA, P&L, balance sheet and cash flow statements as these are what a lender uses to assess if you can repay funds
3. Check bank statements: ideally, you should have at least 6 months of minimal discretionary spending & be clear of negatives e.g. being overdrawn
4. Sign up to myGov to check you're up to date on your tax obligations or contact your tax agent
5. List financial commitments

### Step 2: Write or review business plan

1. **A good business plan** outlines goals & the actions required to reach those goals. It should show the business' progress so include a market analysis, historical financial performance against forecasts and forward financial forecasts
2. **Include a cash flow statement** comparing actuals with budget and forecasts.
3. Talk with your tax agent about **how to service current debts**

### Step 3: Finance fitness check

1. Get a credit report. To get this you can use, for example, Equifax: [www.equifax.com.au](http://www.equifax.com.au)  
To read more about Equifax and how it works go to [www.finder.com.au/equifax-score](http://www.finder.com.au/equifax-score)
2. Create a list of assets
3. Carefully check PPSR
4. Think about your online reputation: lenders may look through your business' website and Facebook page as well as your own social media activities to assess your character

### Finance Fit Checklist

- Get business accounts in order
- Create or update business plan
- Review balance sheet and P&L
- Create monthly cash flow forecasting
- Ensure clean credit file
- Check Personal Property Securities Register (PPSR)
- Sort out ATO Affairs
- Lodge PAYG & BAS on time
- Understand business needs
- Work out if funding required
- Decide which funding option suits business need
- Ready to apply for finance!

## Step 4: Deciding what type of funding

# Funding Decision Flowchart

