

### 3. Prepare the financing set-up

The financing of your transfer must cover the needs related to the transfer of assets (acquisition of voting shares) and the key factors of smooth or improved business operations: new investments, start-up costs, working capital, etc.

Once your needs have been determined, you must identify the possible sources of financing to meet them. The financing set-up is often presented in the form of a table, and it is essential that each transfer-related need be met. Our business transfer advisors can help you prepare it.

#### EXAMPLE OF A FINANCING SET-UP

COST OF THE TRANSFER PROJECT	
Purchase of assets (land, buildings, quota, livestock, equipment, inventory)	\$700,000
Purchase of quotas	\$150,000
Renovation of farm buildings	\$25,000
Purchase and renovation of a home	\$100,000
Purchase of equipment	\$85,000
Other start-up costs (transaction costs, taxes and permits, etc.)	\$5,000
<b>Total</b>	<b>\$1,065,000</b>

  

FINANCING THE TRANSFER PROJECT	
Government-secured mortgage loan	\$715,000
Term loan on equipment	\$60,000
Balance of sale	\$150,000
Line of credit	\$75,000
Individual capital funding	\$25,000
Government subsidy	\$40,000
<b>Total</b>	<b>\$1,065,000</b>