

### 3. Prepare the financing set-up

The financing of your transfer must cover every aspect of your business operations: working capital, current expenses, tools, equipment, buildings, patents, etc.

Once your needs have been determined, you should identify the possible sources of financing to meet them. This financing set-up is often presented in the form of a table, and it is essential that each transfer-related need be met.

#### EXAMPLE OF A FINANCING SET-UP

COST OF THE TRANSFER PROJECT	
Land and buildings	\$600,000
Furniture and equipment	\$250,000
Inventory	\$75,000
Accounts receivable	\$250,000
Goodwill	\$245,000
Other start-up costs (accounting, taxes and permits, insurance, rent, supplies, etc.)	\$80,000
<b>Total</b>	<b>\$1,500,000</b>

  

FINANCING THE TRANSFER PROJECT	
Capital funding	\$150,000
Mortgage loan	\$450,000
Term loan on equipment	\$150,000
Line of credit	\$225,000
Balance of sale	\$250,000
Mezzanine capital	\$275,000
<b>Total</b>	<b>\$1,500,000</b>