

GUIDE TO RAISE MONEY FOR BUSINESS

Fast Money Guide

More than 77 ways to raise money for your business

Welcome to the Fast Money Guide from Nevada Corporate Headquarters, Inc. (NCH). This brief guide is intended to help you identify various ways to raise money quickly for your new or existing business venture.

Please note that NCH is not affiliated with any of the companies or web sites provided as reference herein. Neither does NCH endorse any of these companies; they are merely suggestions for access to information and research purposes only. Always undertake your own due diligence before engaging the services of any company.

As you will see, this guide does not provide a comprehensive review of the strategies presented but rather is a thought provoking tool to get your creative juices flowing as you prepare to launch a business or take a new idea to the next level. Enjoy!

1. Accounts Receivable Financing

Accounts receivable financing is also known as “factoring.” It is a popular form of raising capital for an existing business. Factoring is most suited for a business that has a large volume of receivables. It works through a specialist factoring company that advances the value of a percentage of the receivables to your business, less a fee, and assumes the responsibility to collect the factored funds. Factored receivables usually realize between 50% and 90% of value depending upon the likelihood of collection identified by the factoring company.

Check out: www.facteon.com; www.jdfinancial.com; www.inzap.com

2. Advanced Sales

Advanced sales can be achieved in a number of ways and can help fund a new business. For example, if you are a professional service provider, you might impose a retainer on your clients that can be used to help pay for office and staffing needs. If you are selling a product, you can ask for deposits when an order is placed or even charge up-front for the product while committing to deliver at a future date. This attractive source of startup capital is not without risk. Having deposited revenues from advanced sales, you must be able to provide the product or service or you could be faced with a lawsuit.

3. Accredited Investors

The Securities Act of 1933 requires any business that offers or sells its securities to register the securities with the SEC or find an exemption from the registration requirement. One such exemption allows a business to sell company stock to a type of investor called an “accredited investor”. Accredited investors are individuals with a personal net worth of more than \$1,000,000 or an income that exceeds \$200,000 in each of the two most recent years (or joint income with a spouse exceeding \$300,000

for those years). An accredited investor can also be a bank, insurance company, trust, charitable organization, corporation or partnership.

4. Angel Investors

“Angel investors” are high net worth individuals who invest in emerging companies. They can be hard to find and attract but can be a great source for business capital. Angel investors are financially sophisticated so it is important to be well prepared before you open a dialogue with them. Many communities today have angel investing groups or clubs that meet on a regular basis to collectively examine opportunities presented by budding entrepreneurs.

Check out: www.activecapital.org; www.investorscircle.net; www.tribeofangels.com

5. Asset-Based Financing

Asset-Based Financing (ABF) is becoming more widely available to smaller companies. It used to be reserved for major business ventures but, as financing companies have perfected their practices, they have expanded into the small business market. One popular form of ABF is invoice financing, where a financing company advances funds based on existing orders ensuring that borrowing is limited to funds that are in the pipeline. Lenders will advance up to 95% of an invoiced value. This can be an efficient way for a business to raise fast money.

Check out: www.discountcapital.com; www.capitalassociates.com; www.creativefundingservice.com

6. Bank Line of Credit

A line of credit involves the bank setting aside designated funds for a business to draw against as needs dictate. As funds are used, the credit line is reduced. Conversely, when payments are made, the line is replenished. The advantage of a line of credit over a loan is that unless the funds are actually in use no interest is charged. Lines of credit can be set up at any time and require a personal guarantee.

Check out: www.citibank.com; www.bankofamerica.com; www.irwinunion.com

7. Bank Loan

This is a term loan normally over a period of one to five years. Typically used for major purchases, expansion of an existing business or providing capital to start a new business, loans can usually be completed within one month. Banks require a robust business plan that illustrates your potential to repay the debt as well as a personal guarantee and excellent credit record. When considering this type of loan, it is advisable to approach multiple banks and let them compete for your business to make sure you get the best possible deal. Check out: www.wellsfargo.com; www.ibank.com; www.usbank.com

8. Buy an Existing Business from Cash Flow

This unusual strategy requires you to purchase a business from its current owners and pay for it through the existing cash flow. Check local listings of businesses for sale to identify those that are not selling easily. Opportunities often occur when business owners just want to retire or have health problems that force the sale of their business.

Undertake a thorough due diligence, approach the seller and make an offer to pay for the business over time; then use existing cash flow from the business to pay over a predetermined period.

Check out: www.sunbeltnetwork.com; www.businessbroker.net; www.bbnbrokers.com

9. Brokerage Firm Loans and Lines of Credit

A number of major brokerage firms like Merrill Lynch and Wachovia Securities have special programs designed for small businesses that allow the owners quick access to various loans and lines of credit. Many have found it simpler to get approved through a brokerage firm than a traditional bank. This is because brokerage firms are regulated differently. Check out: www.wachovia.com; www.ml.com; www.morganstanley.com

10. Business Development Commission

Many cities and regions have economic development commissions (EDC). The mission of EDCs is to attract businesses from other parts of the country into their area and to help existing local businesses to expand. EDCs can be a tremendous source of information on business funding and often have special grants and programs available to help with a business idea or expansion. To find the nearest economic development commission, simply consult your local chamber of commerce.

Check out: Google the terms "*economic development*" and "*business development commission*" + your state, county or metropolitan area.

11. Business Incubators

In the 1990s business incubators became a unique way for experienced business professionals to help guide and support new business ventures. These incubators have typically been used for technology-based companies on the West Coast. The concept provides a location from which new ventures can build their business within a facility that houses other startup enterprises. The owners of the incubator offer rent, support, expertise, capital and a unique creative environment that can help to launch a new business quickly. Check out: www.nbia.org

12. Business Plan Writing Contests

Business plan writing contests across the nation offer cash rewards for winning new business concepts. The contests are designed to promote entrepreneurship. There are contests that allow college students to enter, contests sponsored by states for startups within their borders and contests sponsored by non-profits organizations that support entrepreneurship, such as the Kauffman Foundation. Winning writers generally attract money to their business through the publicity of the event in addition to the cash prize.

Check out: www.smallbusinessnotes.com/planning/competitions.html

13. Car Title Loans

A quick injection of business funding is available with a car title loan. These loans, for up to a vehicle's market value, can be obtained through licensed lenders. Only available

with a "free and clear" title, the main benefit is that loans are usually approved on the day of application. This type of loan is very expensive (typically a triple-digit annual interest rate is attached) and should therefore be approached with extreme caution and as a short term measure only.

14. Competitors

An interesting concept for raising money for a new business is to regard local competitors as a source of investment capital. Some business owners become entrenched in business models that work but are not necessarily efficient. They would welcome an improved operating model, but after years of running the business a certain way, they find it difficult to make the change. If they are shown an innovative new approach, it might just get their attention. What could be better than having an investor who really understands your business?

15. Corporate Take-over - Raiding the Franchisee

It is not uncommon for a poorly managed franchisee operation to lie about their royalties and underpay the franchisor. In turn, the franchisor will not be averse to pointing out where these suspect franchisees are located. Frequently, franchisees will have defaulted on their leases and not paid rent, forcing the landlord to evict them. In the case of a restaurant, all the equipment is often left behind. In these circumstances, there is an enormous opportunity for an enterprising individual to take over the entire operation.

16. Credit Cards: Business

Every new business owner should begin to apply for corporate credit cards as soon as he/she starts operation. It is important to use the cards regularly in order to establish a credit history. Doing so will assist in building the size of the credit line. Ask for credit limit increases every six months to build credit to a level that can be useful for the business. It makes sense to apply for business credit cards well before they are actually needed. Credit cards will provide a great route to fast money.

Check out: www.advanta.com; www.americanexpress.com; www.capitalone.com/smallbusiness

17. Credit Cards: Personal

Many entrepreneurs use their personal credit cards to finance their business initially. Credit cards can be a great source of funding to start a new business or to help purchase the necessary supplies and equipment needed to get started. However, keep in mind that credit card interest rates can be expensive if not repaid quickly. Many credit cards offer special promotional rates on cash advances to encourage usage, but to take full advantage you need to negotiate a reasonable interest rate. Call the credit card company to see what they can offer and always shop around for zero interest periods on transferred balances. Check out: www.capitalone.com; www.discovercard.com

18. Craigslist.com

One innovative way of attracting investment into your business is to place an online classified ad on a posting service such as craigslist.com. An advantage of craigslist.com

is that the ads are free, and the site is accessed by a large and diverse audience. There are many local online ad services that can be utilized when looking for investors. Make sure your ads are creative and specific to your target investor type.

Check out: www.craigslist.com

19. Direct Public Offering

Entrepreneurs nationwide are beginning to use the Direct Public Offering (DPO) as a creative form of financing. This is a public stock offering but differs significantly from the Initial Public Offering (IPO) or venture capital financing. DPOs are security offerings registered with state security administrators rather than the federal SEC. They have simpler procedures and cost less than full blown public registrations. DPOs are often used to secure clients, employees, suppliers and distributors as another way to market the company and to raise capital. Check out: www.virtualcapitalgroup.com

20. Economic Opportunity Zone Grants

Economic Opportunity Zone Grants, or Federal Government Economic Zone Awards, are available to anyone starting or expanding a business in one of these designated areas of the country. Incidentally, the federal government is required to purchase a certain percentage of their supplies from businesses operating within these zones.

21. Faith-based Initiative Grants

Faith-based initiatives are to designed support local communities. Established by the federal government, they have federal grants available for low-income development areas. A church writes the grant to sponsor economic opportunities for the underserved. The church can sponsor one or multiple businesses, business initiatives within their neighborhood and often support a parishioner in the church.

Check out: <http://www.whitehouse.gov/government/fbci/grants-catalog-index.html>

22. Federal Government Grants

There are many different grant programs for budding entrepreneurs offered by the US government. These federal grant programs, available to both new and existing businesses, vary in many ways. Some programs are only available to certain minorities; some are targeted toward a certain industry or technology (such as alternative energy) and others are focused on economically depressed areas of the country. This source of business funding is definitely worthy of investigation. Check out: www.grants.gov

23. Friends and Family

A common source of seed capital used to get a business started is investment from family and/or friends, although this type of investing is a mixed blessing. While it is often an easy source for smaller amounts of investment dollars needed, because of the close bonds between family and friends, it can also be the most challenging. Normally unsophisticated investors, friends and family typically finance your business because they believe in you and genuinely want to help. However, if the business fails or a loan is not repaid in time, the financial relationship can seriously affect your personal

relationships. The author's recommendation is to think carefully before using this source of funding.

24. Foreign Investment

As world trade growth shifts from one country to another, investment capital moves with it to gain maximum return. When a certain country's economy (e.g. China) is booming, it attracts significant funds from foreign investment. Attracting foreign investment to a business will take serious research and development to create a win-win proposition. For example, perhaps a foreign company in a similar market sector is seeking new distribution channels to grow their business within the United States. Identify companies that will benefit from a unique alliance or business concept and approach them with your ideas.

25. Franchise Your Business

An enterprise with a proven, successful business model might consider franchising. This process essentially duplicates the original business to service cities all around the country or even the world. In a franchise operation, a prospective business owner pays a sizeable fee and a percentage of gross sales to introduce the entire business model into other markets. Experts in the field can be hired to help navigate through the law that regulates franchises. Check out: www.grants.gov

26. Garage Sale

One quick way to raise small amounts of money for a business launch is to hold a good old-fashioned garage sale. Gather up all the wonderful "treasures" that have been hoarded for no apparent reason. Ask family and friends to part with their unwanted items too. It is astonishing what kind of things people will pay good money for, and it can be surprising how much can be raised towards funding your startup.

Check out: www.ebay.com; www.garagesalehunter.com; www.yardsalequeen.com

27. Home Equity Line of Credit

Another quick way to get access to money for your business is to borrow against the existing equity in your home. Equity is the difference between the fair market value of your property and the mortgage amount owed. Home equity lines of credit allow you borrow up to 100% of the value of the equity held; however, interest rates charged on a home equity loan can be more than traditional mortgage rates so only borrow what you absolutely need. Check out: www.lendingtree.com; www.quickenloans.com; www.ditech.com

28. Hard Money Lenders

Hard money lenders are companies offering a specialized type of loan secured with real estate. They provide short-term loans (sometimes called bridge loans) that provide funding based on the value of real estate that has been collateralized. The main drawback with these lenders is the interest rates they charge (significantly higher than those of a bank) however, they can usually make a decision to grant a loan much more quickly.

Check out: www.hawkinscap.com; www.lendingassociates.net; www.hardmoneycorp.com

29. Installment Loan Companies: “Quick Cash”

Installment loan companies are opening up all over the country, providing quick cash that can be used in any way for personal needs. One company provides a \$2000 loan within one hour of application to just about anyone who holds a job and has a bank account. These loans are fine if you need some quick cash to get through a short-term financial challenge; however, be wary if you have longer term needs. The annual interest rate of these quick cash centers can be as high as 300% annually.

Check out: www.wegiveloans.com; www.thinkcash.com; www.paydaymax.com

30. Investment Bankers

Investment bankers help companies to raise money by issuing and selling securities in the primary market. They assist businesses by helping them to raise money, both equity and debt, in the capital markets. They also provide strategic and advisory services for mergers and acquisitions and other types of financial transactions.

31. Investment Clubs

Over the past 10 years, investment clubs have grown in popularity all around the United States. Most clubs started for the purpose of sharing investment ideas between amateur investors in order for them to collectively make a profit on their investments. The groups invest primarily in publicly traded securities. Some clubs will invest in startups and existing businesses when they see an opportunity to make a decent return on investment. Business owners are often allowed to present new ideas to these clubs in an attempt to gain investment funding.

32. Initial Public Offering

An Initial Public Offering (IPO) is when a company sells stock in the open market for the first time. A business can raise huge amounts of money this way and in doing so creates a marketable stock for its investors. IPOs were a very popular way for new businesses to get started until the “dot-com bust” and subsequent government regulations for publicly traded companies. Some companies, such as Google and e-Bay, chose this method of raising capital. Check out: www.tcc5.com; www.artfieldinvestments.com

33. Inventory Factoring

One method of coming up with cash for a business is to factor out inventories. Inventory factoring companies will step in and lend money to companies that have valuable inventories and then pledge those inventories against future sales made by the company. The factoring companies charge a healthy fee for their service but, if a business is struggling in a slow economy with inventories on the shelf or in the warehouse, they can get much needed cash from the factoring company to help to weather the storm.

Check out: www.factorhelp.com; www.factoringcenter.com

34. Inheritances

Many people know they have been named as a beneficiary of a parent or grandparent

and expect to inherit various assets when the time comes. Occasionally, relatives can be receptive to the idea of releasing a part of the inheritance while they are still living so that the money can be invested in a new or expanding business.

35. Institutional Investors

Large insurance and pension fund managers generally deal with publicly traded businesses; however, a trend is emerging for this type of investor to identify smaller companies with a big potential for growth that can provide a quicker return for their investment. Getting the attention of a fund manager is a big challenge. One way to get institutional money into a business is to hire a financial representative with the right contacts who can open the door to huge capital for your business.

Check out: www.cii.org; www.institutionalinvestor.com

36. Lottery Tickets

Here is a fun idea for all of you dreamers! There was an article recently about a woman who won a state lottery after applying the principles taught in the movie “The Secret” (a documentary about utilizing the “Law of Attraction” that offers the knowledge of how to create—intentionally and effortlessly—a joyful life). The woman said that the principles taught in “The Secret” had enabled her to manifest the winning ticket for herself. So if you want to try something really different check out “The Secret” and attempt to manifest your own winning lottery ticket!

Check out: www.theseecret.tv; www.calottery.com; www.lottery.com

37. Leasing Equipment

Lease financing is an alternative way to obtain business equipment rather than using scarce funds. There are many equipment leasing companies that provide this option. One great advantage is that it may be allowed to be off the balance sheet; meaning it does not appear as a debt of the business. An entire office can be set up with the help of the right leasing company with leases ranging from three to 10 years, depending on the life of the items being leased. Vehicle leasing is very common in small businesses and is always welcomed by dealerships.

Check out: www.tnmfs.com; www.ibank.com; www.fivepointcapital.com

38. Letters of Credit

Letters of credit, also referred to as “commercial letters of credit”, have been used for centuries to facilitate payment in international trade. A letter of credit is a contractual agreement between a bank (known as the issuing bank) on behalf of one of its customers, authorizing another bank (known as the advising or confirming bank) to make a payment to the beneficiary. The issuing bank, upon the request of its customer, opens the letter of credit and makes a commitment to honor the draw made under the credit. The beneficiary is normally the provider of goods and/or services. Essentially, the issuing bank replaces the bank’s customer as the payee.

Check out: www.tradebeam.com; www.atradius.com

39. License Rights to Your Product or Service

Another way to raise some quick cash for your enterprise is to license the rights to your product or service. Take your product to a distributor that would ordinarily carry your product and sell them the rights to your unique widget. You never know who might be willing to pay for your great ideas. This is where you need to be a little creative.

Check out: www.perpetuallicensing.com; www.thetransactionalgroup.com; www.davison54.com

40. Life Insurance Borrowing

Many life insurance policies have cash values that can be borrowed. These policies are called whole life policies and they build cash value over time. The interest charged on policy loans is usually quite reasonable compared with other sources of lending. The loan stays in place as long as you continue to pay the insurance premiums.

41. Manufacturer Financing

A big initial outlay for any business is the purchase of equipment to run the operation. Fortunately, most equipment manufacturers offer financing for their products. Personal computers are a good example; companies like Dell will provide financing for this most fundamental requirement. If your business requires a heavy investment in equipment to get started, talk to the manufacturer or distributor about financing options.

Check out: www.dell.com; www.gateway.com

42. Merchant Account Financing

This is a relatively new type of financing that converts your future Visa and MasterCard sales into cash. This financing company alternative to small business loans serves the needs of small businesses in ways that traditional business lenders cannot. Some firms can offer up to \$100,000 of quick money when you pledge your credit card charging to them.

Check out: www.amerimerchant.com; www.merchant-cash-advances.com; www.crownfinancialservices.net

43. Newspaper Ad

One very simple way to attract the attention of local investors is to place an ad in your local newspaper under the classified section of business or investment opportunity. The author has seen many entrepreneurs take this simple but unpredictable route to raising capital. Your headline could read "Local Entrepreneur Looking for Financial Partner to Make Millions" or "Discriminating Investors Wanted for a Unique Private Investment Opportunity". This approach may be a long shot but you never really know who may be reading the paper that day.

44. Other People's Money - "OPM"

A stretch Hummer seen frequently on the Las Vegas strip proudly displays "OPM", the name of a nightclub. It is not hard to imagine that the owners of this business had to go to great lengths to raise sufficient capital to open the club. Undoubtedly, they enjoy the irony of naming the club OPM. The great thing about using other people's money

for your business venture is that you don't have to tie up your own. Plus, if you actually have money to tap personally you always know it is there if times get tough. I always recommend utilizing OPM except in cases where you give up control. Ownership is nothing, control is everything.

45. Product Advances by Suppliers

When a business is involved in selling products that are purchased from others, it is in a great position to ask suppliers for product advances. Most suppliers are more than happy to advance their product when a business demonstrates the ability to sell.

46. Private Debt

A business can raise capital by offering a debt instrument to investors as opposed to an equity instrument. This can be done by way of a secured or unsecured promissory note obligation payable over time at a competitive interest rate. Investors consider private debt to be high risk and, consequently, interest above market rate is normally required to attract them. Check out: www.promissorynote.org

47. Private Placement

A private placement is a private way of raising money that targets sophisticated investors. These investors are generally "accredited investors" (see # 3) which allows you to take advantage of exemptions in federal securities laws. By definition, this is the opposite of a public offering, and it requires careful compliance with Regulation D of the Securities Act of 1933.

Check out: www.nyype.com; www.tweisel.com; www.privateplacementletter.com

48. Private Grant Programs

Similar to federal government grant programs, there are many non-profit organizations located throughout the US that offer cash grants to new and existing businesses. The programs are often focused on specific industries or on businesses that are starting up in economically disadvantaged communities. Talk to your local Small Business Administration representative or economic development authorities to find out about local grants that may be available for your business.

Check out: www.efundingsolutions.com; www.foundationcenter.org; www.fundsnetsservices.com

49. Private Equity Fund

Private equity funds, like the one that bought Chrysler Motor Corporation recently, grow ever more popular. Public markets have not made the returns expected by investors therefore private equity funds have evolved to look for alternatives. There are many different types of private equity funds that make investments in new and small business and are worthy of further investigation.

Check out: www.privateequityinfo.com; www.peinsider.com

50. Personal Savings

An obvious start to any new business is to begin with your personal savings. The benefit of utilizing your own cash for a business startup is that you maintain control and are not committed emotionally to anyone but yourself. Giving up any control of your business may be a necessary evil to attract investors, but keeping other people out of your business is a less stressful way of operating.

51. Private Parties

There are many wealthy investors who seek unique opportunities for financial gain. The challenge is to find them. Begin by asking all your contacts. Talk to your lawyer, CPA, banker, minister, realtor, financial planner, doctor and anyone else you can think of. Become a walking, talking business promoting machine. You may be surprised how quickly you can locate someone suitable to approach about your business investment opportunity.

52. Payroll Advances Companies

These companies are similar to installment loan and car title loan companies, but they will advance funds based on your current payroll amount.

Check out: www.paydayone.com; www.powerpaydayloan.com

53. Purchase Order Factoring

Purchase order factoring companies provide a much needed source of capital for businesses that have to outlay substantial amounts of cash to purchase or manufacture their products. The factoring company provides the necessary operating cash to keep the company afloat until orders are fulfilled. They secure their position by requiring the business to pledge future sales revenue to them.

Check out: www.facteon.com; www.alliedcapitaldirect.com; www.bridgeportcapital.com

54. Reverse Mergers

One way to accelerate the process of getting to capital available in the public markets is to do a reverse merger. A reverse merger occurs when a company wants to go public but does not want to take the time or have the expense of doing it in the traditional way. Instead they merge the current company with a publicly traded shell company. This is an expensive method but it can speed up the process of a company going public.

Check out: www.flexfinancialgroup.com; www.artfieldinvestments.com

55. Home Refinancing

Home equity can be a large source of quick cash for any type of business startup or expansion. Many people have locked in equity in their home either because they have been paying off a mortgage for many years or because the home has increased in value. It is relatively straightforward to refinance through your favorite bank or mortgage broker and free up the amount the business needs. There are two clear advantages. First, mortgage interest rates are some of the lowest available. Second, the interest paid

is tax deductible.

Check out: www.lendingtree.com; www.eloan.com; www.ditech.com

56. Related Businesses

Existing business owners are naturally curious about other peoples' businesses. Consequently, you may find that they are a great target to approach for investment funds. The group most likely to be interested will be those in a related field that are wishing to diversify. Let's say, for example, that you want to start a landscaping business and need an investor. You should consult with home builders, concrete contractors, pavement companies or any contractor involved in home building or improvement. They already understand the market, your customer, and the challenges of being contractors who service home owners, so it will not take them long to make a decision about the viability of your business ideas and whether or not they want to get involved.

57. Personal Retirement Plan: Loans

If you are a part of a company sponsored 401k plan you may be allowed to borrow up to 50% of the vested value. Repayment is required within five years and you will be charged interest. Some companies only allow loans of 401K money to be used in the case of emergencies. Talk with your administrator to determine how your plan works and the conditions for borrowing from your current plan.

58. Personal Retirement Plan: Cash

If you still have money in a 401k plan of a former employer you can cash out of that plan in order to get access to the money for your business or business idea. There is a 10% penalty and you must pay income tax on the money received, so this option can turn out to be expensive.

59. Retirement Plan Funding-OPM

Individuals you know who have self-directed IRA's can also be a source of funding for your new enterprise. There are limitations on certain individuals investing in your business from their IRA, termed "disqualified persons". Disqualified persons are yourself, your spouse and your direct descendants; otherwise, you can approach any friend or investor for this type of funding.

60. Retirement Plan Business Financing-Personal

A newer strategy being deployed by some baby boomers is to utilize funds locked away in retirement plans while avoiding the penalties associated with cashing in. Anyone who has money in a 401k plan (at a company where they no longer work) or a personal IRA can roll those funds into a newly created corporation's retirement plan. The business owner starts a corporation, opens a corporate retirement plan, rolls the existing 401k/IRA money into the new plan then has this retirement plan purchase the stock of the corporation. This method provides initial capital to the business that can be used to purchase a franchise, an existing business or to fund a startup.

61. Royalty Advances

If you are in the business of writing books, publications or educational materials that have mass appeal, you may be able to approach publishing houses for royalty advances. Publishers are constantly looking for new and exciting materials and will frequently offer advances in order to secure the copyright. The disadvantage is that you lose control over the use of the material unless you are able to negotiate the terms when the advance is agreed upon. Check out: www.advanceroyaltytracking.com; www.americanadvance.com

62. Royalty Financing

Royalty financing occurs when an investor buys a percentage of a future revenue stream of a company. This type of financing can be risky for the investor if there are no current sales revenues or revenues do not occur for a time. When sales do occur, payment to the investor takes priority over all other company expenses, regardless of profitability.

Check out: www.advanceroyaltytracking.com; www.capitalroyalty.com

63. SBA Microloans 7(m) Program

The Small Business Administration (SBA) introduced the SBA Microloan in 1992 to increase the availability of funding for smaller startup businesses. The loans are administered by non-profit organizations that serve communities in nearly every state. Loans are available up to \$35,000 and have to be repaid within six years. Microloans are relatively easy to obtain compared with bank loans.

Check out: www.sba.gov; www.microloan.org

64. SBA LowDoc

SBA LowDoc is the SBA's quick and easy loan program that provides a guarantee on small business loans of \$150,000 or less. A one-page business loan application form must be completed and the agency processes applications within 36 hours.

Check out: www.sba.gov; www.cadda.com

65. SBA Express Loan

The SBA Express Loan allows a new or existing business owner to borrow between \$10,000 and \$350,000 with maturities of up to 25 years. The borrower must personally guarantee these loans that are funded by participating banks and lending institutions by pledging available business and/or personally owned assets.

Check out: www.rapidadvance.com; www.sba.gov

66. SBA Export Working Capital Loans (EWCL)

The EWCL provides short term loans to small businesses for export related transactions. Under the EWCL program, the SBA can guarantee up to 90% of a secured loan on amounts of up to \$750,000. The best way to find out if your business is qualified for this type of program is to make an appointment at your local SBA office to discuss the details and qualifications. Check out: www.sba.gov; www.exim.gov

67. SBA 7(a) Loan

SBA 7(a) loans are the most basic and commonly used type of SBA loan. The government guarantees the lender up to the percentage of the SBA's guarantee portion of the loan, allowing the lender to offer loans to business owners who may not otherwise be eligible under normal lender requirements. Repayment for this type of loan is based primarily on the business' cash flow. The loans can be used for almost any type of business expense and range from \$50,000 to \$2,000,000. This type of loan on real estate only requires the owner to occupy 51% of the property. Check out: www.sba.gov; www.sba7a504.com

68. SBA 504 Loans

The SBA's 504 loan programs are designed to help growing businesses acquire long-term, fixed-rate financing for major fixed assets such as land and buildings. These loans cannot be used for working capital or inventory. The 504 loans can be as large as \$5,000,000 and have maturities of up to 20 years. The owner's personal guarantee is required on 504 loans as well as all other SBA loan programs.

Check out: www.504blog.com; www.sba.gov

69. SBA SBIC's: Small Business Investment Companies

The SBA sponsors an equity investment program known as the Small Business Investment Corporation (SBIC) which is a series of privately owned investment funds licensed by the SBA. Essentially, the SBIC program is a public-private partnership designed to inject capital into emerging companies. With the SBA contribution, the SBIC funds can leverage their private investor dollars significantly. They are SBA sponsored venture funds that may or may not have a debt element. Check out: www.sba.gov

70. Selling Collectables

You know those old coins, comics, baseball cards, or stamp collections that have been sitting in your closet for years? Well, they just may be a way to raise capital for a new business. The value of collectibles can be surprising. There are many cases where collections have sold for tens of thousands of dollars. Antiques are another source of potential cash. Whether inherited or just picked up along the way, they can have incredible cash value and can be sold as easily as putting an ad on e-Bay or in your local newspaper. Check out: www.atoncer.com; www.onlinecollectibles.com; www.livedeal.com

71. Silent Partners

Many businesses take on a silent partner to help provide the money that a business needs to get started or to grow. A silent partner is an investor who has no management responsibilities but provides capital and shares liability for any losses experienced by the business in return for a share of the profits. Their liability is limited to their investment in the business. Some silent partners can also offer a valuable business insight and experience to the owner of a business.

72. Second Job

If all else fails, getting a second job may be a way to get the required startup capital. Hard work is the cornerstone to any successful business, so if a second job today will help raise the money you need to start a business tomorrow, it should be regarded as a sound investment.

Check out: www.monster.com; www.hotjobs.yahoo.com; www.snagajob.com

73. Selling or Licensing Patent Rights

You may be in a position to finance your new enterprise with an invention. Once you have patented your innovation you can sell or license its use. As the owner of the patent, you can be confident of retaining control; no one can steal it for their own use without being served with a lawsuit. Simply present your patented invention to businesses that stand to gain from its manufacture, sale or utilization.

Check out: www.litmanlaw.com; www.uspto.gov; www.idea4invention.com

74. Selling Business Assets

Existing businesses often find themselves with assets that can be sold to raise money to grow their business. There may be inventory and equipment with a significant sale value that has been unused for years. Look around for anything unneeded or not in current use and determine whether it can be sold. If it can, do so. Besides bringing cash into the business, you will free up space on your premises.

Check out: www.liquidation.com; www.business.ebay.com

75. Selling Personal Assets

Starting any new venture will require cash, with some businesses requiring more than others. The author is a firm believer in keeping as much ownership control of the business as possible. Therefore the more ways money can be raised without having to go to others the better. What about your motorcycle, old collector car or that piece of land you inherited from your grandpa? If you are really serious about starting a business and raising the necessary capital, don't let sentiment hold you back.

Check out: www.ebay.com; www.ubid.com; www.bidz.com

76. State Government Grants

There are state government grant programs available to help fund new and existing businesses. In the "farm belt" states, grants are available to businesses that introduce new ways to use farm products such as alternative uses of crops. There are also some states in the "rust belt" seeking to attract new business as well as offering special grants and incentives to existing businesses for moving into economically depressed areas. These programs are different for every state, so contact your state economic development agency for details.