



**GENESIS**  
FUNDING  
A MINORITY-OWNED BUSINESS ENTERPRISE

## THE FACTORING PROCESS

### Why Factor?

You've done your part – purchased your raw materials or inventory, produced and shipped your product or performed your services, and have invoiced the customer. You know the customer is creditworthy, so you're not worried about whether or not you're going to get paid. The problem is you don't know *when* you're going to get paid. You don't need additional money; you just need the money you've earned to be paid right away!

By factoring, many companies can tap into a source of capital, which most businesses don't even know exists, without creating debt or diluting ownership. The cash generated can be used for a variety of things, including the purchase of raw materials or inventory, hiring additional employees, increasing marketing efforts, paying taxes or whatever your needs are. Imagine not having to worry about how much available cash you'll have each day and not spending half of your work day or longer trying to collect enough money to meet payroll or this week's payables. Factoring gives you the freedom to spend your time doing the things you want to do, like running and growing your business.

Invoice Factoring, or Invoice Purchasing, allows you to leverage your accounts receivables for immediate access to capital to improve purchasing power, add equipment and employees, and for expansion (Funding \$1,000k to \$500,000k+).

As a factor, we purchase the invoices/accounts receivable of certain companies (our Clients) at a discount from the face value of the invoice. We pay (advance) from 75 to 85% of the face value of the invoice at the time of purchase, and the balance, less fees, is paid to the client weekly upon receipt of payment from the account debtor.

By selling to creditworthy companies, many businesses have a valuable source of capital which often goes untapped. We can help leverage that source of cash without creating debt. By tapping into this source of funds, there is no limit to the size of orders you can take from approved customers

### Why Factor with Genesis and their Lenders?

We look at each relationship as a partnership that goes well beyond financing. We make all of the credit decisions ourselves inhouse, and we are the money source. We do not charge monthly administrative or termination fees, we do not require minimum annual guarantees, and we do not require that you factor all of your invoices. Instead, you tell us which customers you want to factor and the dollar amount you expect to factor monthly. We will perform a credit check on that customer, and let you know immediately whether or not that company is approved for factoring. Since you know in advance what your rates are, you are in control of your factoring costs.

## **The Factoring Process**

After all of the initial paperwork has been completed, invoices can be funded in as little as 24 hours. The process of factoring is simple and fast:

1. You send the invoices from approved accounts to Genesis and their Lenders along with a Schedule of Invoices to be factored (a schedule is simply a list of all of the invoices being sold to Genesis and their Lenders, which you sign). Along with these items, you would provide us with any supporting documentation such as purchase orders, bills of lading, timesheets, etc.
2. Genesis and their Lenders will verify that the invoice is valid and that the work has been performed or the products have been received.
3. Upon verification of the invoice, Genesis and their Lenders will, a) notify the account debtor of the assignment of the account(s) receivable, and b) deposit or wire the advance directly into your bank account (there is a \$20 wire fee for each wire sent).
4. When payment is received by Genesis and their Lenders, it is processed and applied to the appropriate invoice. On the Friday of the week in which the check is received, Genesis and Their Lenders will send out any rebate due to a client as a result of payments received during the week. If we receive any payments for invoices which you have not factored, we deposit those funds into your account along with your rebate.
5. Each Friday, we send you copies of all checks or electronic payments received along with an invoice aging report which shows the current outstanding invoices which you have factored with Genesis and Their Lenders.

### **Step One - Approval Process**

The first step in factoring involves gathering certain information about the potential client and its customers. Certain documents such as the completed application, financial statements, tax returns, contracts, as well as a few other documents, will be needed. Once we receive this information and perform our due diligence, rates and advances will be determined.

### **Step Two - Establishing Factoring Account**

Once the rates and advances have been determined, we will need to execute all appropriate agreements and documents, including the Accounts Receivable Purchase Agreement, Payment Letter, UCC-1 and Personal Guaranty. Once we have these executed agreements, the client may begin factoring.

### **Step Three - Factoring**

After all of the initial paperwork has been completed, invoices can be funded in as little as 24 hours. The process of factoring is simple and fast.

1. The Client presents the original invoice(s) to Genesis and lenders along with a Schedule of Invoices to be factored (a schedule is just a list of all of the invoices being sold at that time).

2. Confirmation is then made that the invoice is valid and that the work has been performed or the products have been received.
3. Upon verification of the invoice, Genesis lenders will deposit or wire the advance directly into the client's bank account (there is a \$20 wire fee for each wire sent).
4. When payment is received by Genesis and lenders, the check is immediately deposited into its account and applied to the appropriate invoice(s). On the Friday of the week in which the check is received, any reserve balance due to a client will be sent out as a result of payments received during the week.

To see if you qualify, click on the link below to the “Genesis Factoring Application.”

[Genesis Factoring Application, print and send later.](#)