



Handout for Cash Flow/Line of Credit Deep Dive

Are my financial statements in order?

- ☐ Chart of Accounts
- ☐ Balance Sheet
- ☐ Income Statement
- ☐ Cash Flow Statement

My notes:

Build Pro-Formas:

- ☐ 3-year projections
- ☐ Should mirror income statement
- ☐ Make assumptions about changes you foresee

My notes:

LOC Rules of Thumb

The amount of LOC is tied to:

Accounts Receivable (A/R):

75% to 80% collateral

\$80,000 in A/R = LOC of approx. \$60,000

Inventory:

<50% collateral

\$100,000 in inventory = LOC up to \$50,000

Resources

Video by Christine on Accounting basics:

https://youtu.be/V1haHitlqPI?si=tThP_BCgTjb1ANSQ

List of CDFIs in the United States:

<https://www.cdfifund.gov/media/8017031/download?inline>

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