

Guide to Choosing an Invoice Factoring Provider

Introduction

Choosing an invoice factoring provider is a critical decision that can affect your agency's growth and cash flow. This guide offers a checklist of considerations to help you make an informed choice.

Questions to Ask Potential Providers

- What percentage of the invoice value will you advance?
- What are your service fees?
- Do you require long-term contracts?
- How quickly can you process an invoice?
- Do you offer selective factoring?

Key Terms and Conditions to Look Out For

- Length of the contract
- Termination fees
- Any concentration limits
- Confidentiality clauses
- Dispute resolution mechanisms

Comparison Table

- Provider name
- Advance rate
- Service fee
- Contract length
- Additional fees

Hidden Fees to Watch For

- Setup costs
- Re-factoring fees
- Interest on late payments
- Auditing fees
- Renewal charges
- Exit fees