

INVOICE FINANCE

FOR INDIGENOUS AUSTRALIANS



IBA
INDIGENOUS
BUSINESS
AUSTRALIA

IBA provides invoice finance to assist Indigenous-owned businesses to take advantage of new contract or sales opportunities that may otherwise be out of reach.

WHAT IS IT

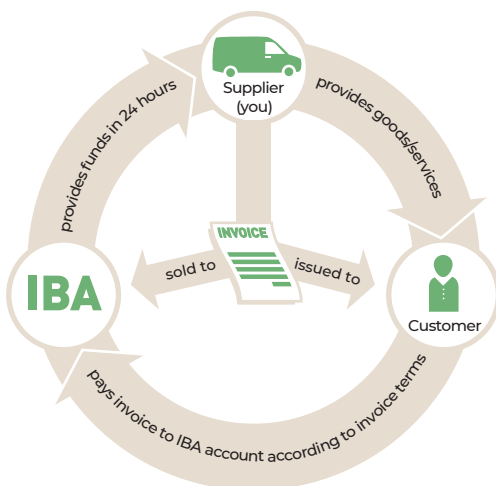
Invoice finance provides businesses with revolving cash flow based on the value of credit sales or major contracts.

Aligned to the business's cash flow cycle, contract or sales activity, invoice finance provides the necessary working capital to enable the business to finance the usual costs of delivery, such as wages, inventory, raw materials and transport costs.

This provides certainty to the buyer and strengthens the competitiveness of the business.

HOW DOES IT WORK

You receive an order or sign a contract with your buyer. Once you deliver your products or services, you invoice the buyer. On a regular basis, you send your updated aged debtors ledger to IBA and we purchase all eligible new invoices. Rather than wait 60 to 90 days for your buyer to pay, you are able to request up to 80% of the value of the eligible invoices bought by IBA within 24 hours of IBA purchasing them. On the due date, your buyers make payment for the invoices to a bank account managed by IBA.



IBA then applies the funds to your account, reducing the amount that you have drawn and making the remaining 20% (less any interest and charges) available to you to draw down, or you can leave it there to reduce your interest costs on your overall funding.

IS IT THE RIGHT PRODUCT FOR YOUR BUSINESS

Invoice finance is best suited to established businesses:

- with at least 50% Indigenous ownership
- with a minimum of two years profitable trading
- with minimum annual credit sales of \$500,000
- that can demonstrate sound accounting processes and reporting
- that experience seasonal sales
- that are growing rapidly
- that are smaller or undercapitalised
- that operate in markets where debtor terms exceed supplier terms
- whose owners lack the security to access bank finance.

Other terms and conditions may apply.

BENEFITS AND FEATURES

- **reliable cash flow**—submit your ledger electronically to receive up to 80% of the value of your invoices within 24 hours
- **online access**—manage the whole process online when you want, giving you full control
- **cash injection**—helps you absorb cashflow pressure and accommodate fixed overheads such as rent, wages and tax
- **financial confidence**—make decisions about strategic development, such as business planning, securing competitive trade terms, fulfilling substantial orders and pitching for new business opportunities and provide procurement officers with confidence in your financial capacity to fulfil the contract
- **savings**—enables you to pay your trade creditors quicker, to take advantage of early payment discounts
- **access to cash**—without having to give away expensive early settlement discounts to your customers
- **sales ledger control**—manage the collection of payments from your customers when invoices are due
- **privacy**—subject to meeting credit criteria, the facility can remain undisclosed to your customers
- **flexibility**—funding that grows with your sales.

RATES AND FEES

- small establishment fee to cover the cost of setting up the facility
- management fee charged as a small percentage of the value of the invoices that IBA buys from you
- interest rate payable on funds drawn is equivalent to the Reserve Bank's official cash rate plus a risk margin based on IBA's credit assessment.

HOW TO APPLY

We'll discuss the needs of your business and provide you with an indication of pricing and the facility structure. If you wish to proceed, we'll send you an application form for you to give us more specific details about your business.

Contact us today to ask for your application form:

- email cashflow@iba.gov.au
- visit iba.gov.au/invoice-finance
- call **02 9207 6367**



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Indigenous Business Australia



1800 107 107 **iba.gov.au**



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