

MARAC invoice finance

The overdraft that works

You see your business
growing by having cashflow
when you need it.

We see what you see.



MARAC[®]
MEANS FINANCE

MARAC invoice finance

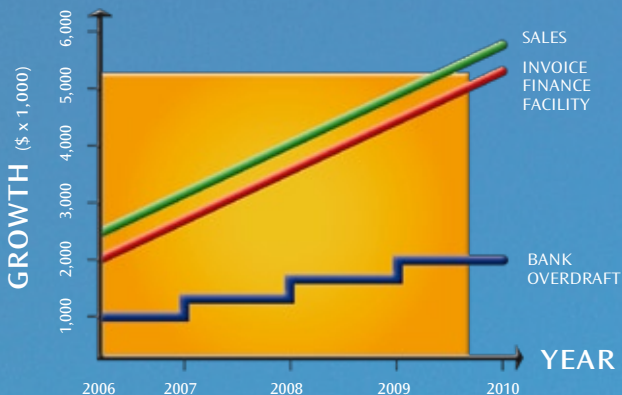
What is invoice finance?

Invoice finance gives you almost instant access to the cash tied up in your sales ledger.

What are the main benefits of invoice finance?

- Your invoice finance facility increases at the same rate as your sales, freeing up working capital much faster than an overdraft facility and allowing for more rapid business growth;
- It eases cash flow constraints as you don't have to wait for customers to pay; and
- It is completely **confidential** – your debtors and creditors will never know MARAC is involved.

The graph below highlights the relationship between your sales, an invoice finance facility and an overdraft facility.



Access up to 80% of the value of your sales invoices within 24 hours

With a MARAC invoice finance facility, you can access up to 80% of the value of your sales invoices within 24 hours. Your invoice records are transferred electronically, making the whole process fast, simple and efficient. You can use the funds for whatever your business needs at the time – growth, day to day working capital, restructuring, management buy-outs and acquisitions.

How MARAC's invoice financing

The six steps

- Step 1** You deliver the goods or services and invoice your customers as normal.
- Step 2** You send us details of your invoices and credit notes electronically using Virtual Ledger Manager®.
- Step 3** You check your available funds on a secure internet site and transfer what you need (up to 80% now and the rest when your customers pay).



ce works

- Step 4 We deposit the funds you've requested overnight into your bank account and you make your payments as usual, for example, suppliers, wages and rent.
- Step 5 You send out statements and collect all the debts as usual.
- Step 6 When your customers pay, the deposits go straight into your MARAC invoice finance trust account. We email you a statement each day so you can update your records.



Frequently asked questions

Is invoice finance right for my business?

Invoice finance is now a popular alternative to bank overdraft funding as it's less restrictive. It grows in line with your sales and is not linked to the value of your personal property.

Is invoice finance just for big businesses?

No, it's for businesses of all sizes – small, medium and large.

How does invoice finance work?

When you arrange an invoice finance facility with MARAC, we set up your debtors' ledger on our computer system using our Virtual Ledger Manager® software. This is called a shadow ledger. Then by following the six easy steps (over the page), you'll be able to keep your invoice finance facility running smoothly.

What does invoice finance cost?

There are two costs involved in invoice finance – an administration charge and interest on the money drawn.

Administration charge

The administration charge is our fee for keeping your ledger balanced with our ledger. This can be a percentage of the invoices we process, a flat monthly amount or a combination of both. We calculate the fee based on our experience of the work involved in keeping a ledger balanced, and by using information you give us. We are happy to give you a quote for the administration fee for your business.

Interest

The interest is calculated daily based on the funds in use, the same as a bank overdraft.



What's the benefit of invoice finance over a bank overdraft?

The main benefit is that your invoice finance facility is dynamic – it increases at the same rate as your sales, allowing for more rapid business growth. This means you can pay suppliers when they're due and accept orders when you receive them. Because you can pay your own suppliers more promptly, you may even be able to negotiate better prices.

What's the difference between invoice finance and factoring?

There is one main difference between invoice finance and factoring: invoice finance is completely **confidential**, your debtors and creditors never know that MARAC is involved.

Is any security needed?

The security for invoice finance is the business itself. MARAC doesn't require any other security such as property, vehicles or business equipment. This is a major advantage over a bank overdraft.

How can I find out more?

If you'd like to discuss how invoice finance could help your business, call us on **0800 520 009** or email **invoicefinance@marac.co.nz**. We look forward to helping your business grow with an invoice finance facility.



0800 520 009 **www.marac.co.nz**