



SMART STRATEGIES

Methods to Improve Your Credit Worthiness and Borrowing Ability

Many Arizona banks and lenders have recently toughened their credit policies, restricting approvals to only their very best credit risks. Regardless of the strength and length of your relationship with your banker and other lenders, you may find that the rules have changed the next time your business goes to borrow. We offer these strategies to improve the odds for your next credit request, whether it is for a bank loan or an equipment lease.

Strategy #2:

Provide current information to business credit reporting agencies, especially Dun and Bradstreet [D&B].

Here's how you should help to alleviate some of the potential problems:

- 1) Review your D&B report for accuracy and completeness. You may obtain a copy of your company's D&B report by calling Dun and Bradstreet Information Resources, (215) 481-9760. A "Senior Specialist" with D&B will send you a copy and make corrections to your report. D&B provides this service at no charge to you in order to

ensure they have the most accurate information possible in their files.

- 2) Provide D&B with revisions and corrections plus as much other positive information (such as additional trade references, proof of lien releases / judgement satisfactions, etc.) as possible.
- 3) Provide updated financial statements to D&B every time your financials show improvement over the previous ones. By doing this, you establish a track record of growth and profitability for your company.

Some businesspeople are reluctant to provide ANY information to D&B, citing privacy reasons. We believe every privately owned business should have the right of privacy if they want it. But you should know what's being reported about your company.

Your D&B report is only as good as the information provided. It's in your best interest to make sure that D&B has every bit of favorable information you can provide.

By Gary Greene

LAWS ENACTED TO PREVENT MONEY LAUNDERING

The Internal Revenue Service recently enacted laws to track money laundering from illegal business activities. Under the law, any individual or business which receives \$10,000, or more, in CASH in one transaction, or a series of payments adding up to \$10,000, must file a Cash Transaction Report with the Federal government. Transactions in the form of cashiers checks, personal or business checks or bank drafts are not affected by this new law.

Any business or individual which sells products or provides services where they receive payments in cash of \$10,000 or more can be subject to penalties for failure to make the reports. This would include a dealer in new or used cars and persons selling real estate if the down payment or escrow payments exceed \$10,000 and are paid in cash. Firms and professions such as architects or attorneys who provide services of \$10,000 or more, and receive payments solely in cash are subject to the new laws. Other businesses which may be affected include

equipment dealers, jewelers and loan or finance companies.

Individuals and businesses can be fined up to \$500,000, or twice the amount of the property involved in the transaction and be imprisoned if they knowingly engage in a financial transaction where the proceeds are from an "unlawful activity". To incur liability the transaction must be designed, in whole or part, to conceal or disguise the nature, location, source, ownership or proceeds of an unlawful activity or to avoid a transaction reporting requirement under state or federal law.

If a business normally receives payments in cash, or a particular client or customer pays in cash, the business would be wise to review the transaction to see if it is subject to the reporting requirements under the anti-money laundering law. For additional information, contact your attorney or the I.R.S.

Our ends are joined by a common link.
With one we sit, with one we think.
Success depends on which we use.
Heads we win, tails we lose.

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SAVE on Federal and State income taxes;
MANAGE your cash reserves;
AVOID the Alternative Minimum Tax;
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