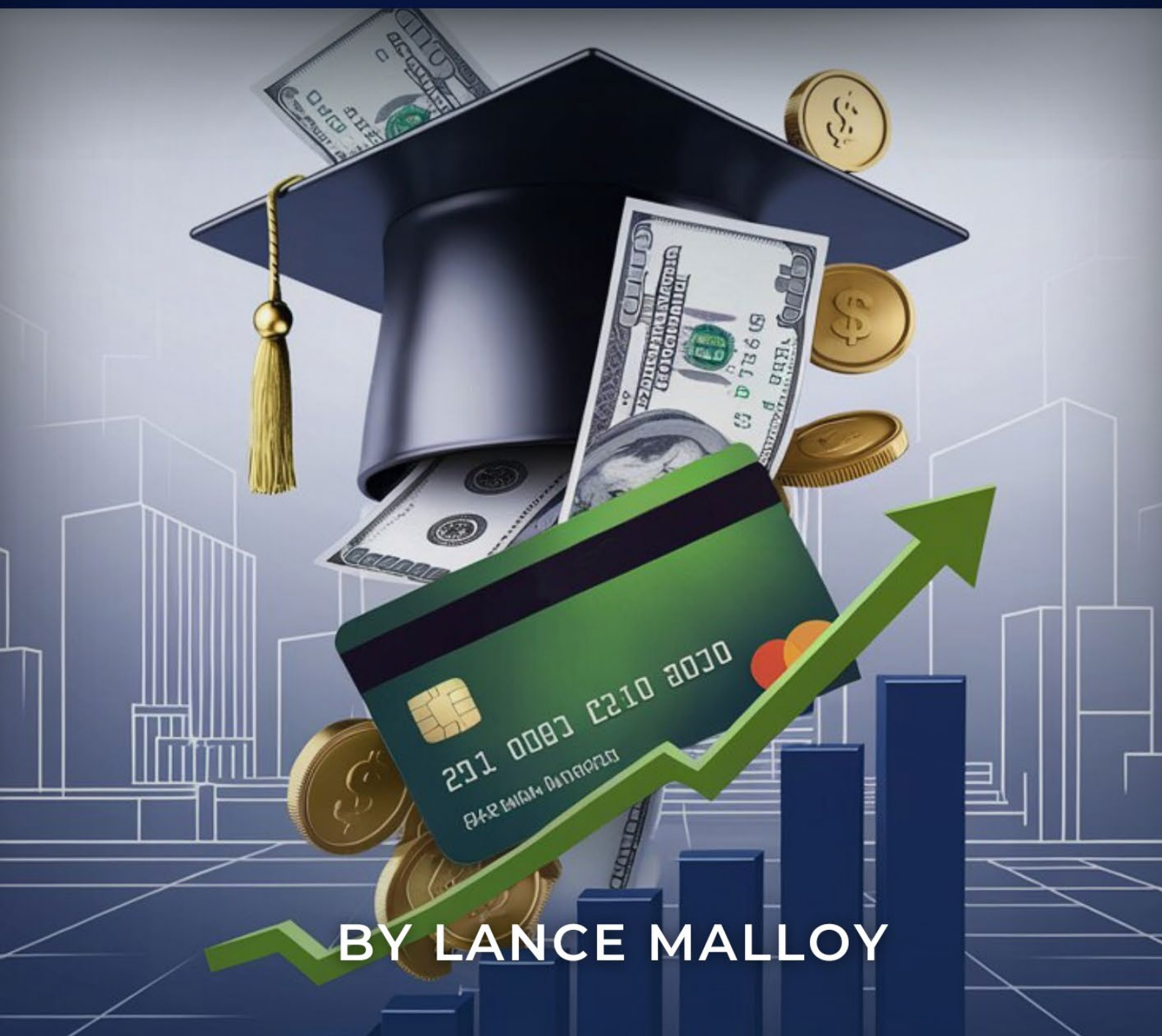


THE **CREDIT** **ADVANTAGE**

HOW TO SECURE BUSINESS FUNDING AS A STUDENT



BY LANCE MALLOY

THE CREDIT ADVANTAGE

**HOW TO SECURE BUSINESS FUNDING AS A
STUDENT**

If you have over a 700 credit score and need help securing funding personally and for your business this ebook is for you!

CONTENTS

Introduction.....	01
What makes your business credible.....	03
Step 1.....	04
Step 2.....	10
Step 3.....	11
Other Important Procedures.....	13
Useful Websites and Tools.....	14

INTRODUCTION

CREDIT CEO



STRUCTURING AND REGISTERING YOUR BUSINESS

WHO AM I

Hello my soon to be millionaires!

I get a lot of DMs daily from people eager to know what I do and how I am able to live the life I live freely!

If you don't know me, My name is **Lance Malloy** and I am a **21-year-old entrepreneur** currently pursuing a degree in Business Management at a University in Atlanta, GA. Over the past few years, I've had the privilege of launching multiple ventures like an ice cream business, a rental arbitrage company (Airbnb), a Turo car rental service, a trucking business, and a credit repair and funding consultancy. My entrepreneurial journey began at the end of my first semester as a freshman, and it has been an incredible experience that has shaped my success at a young age.

I've noticed that many of my peers are eager to start their own businesses or expand businesses they've already launched, but often face challenges in securing the necessary funding for growth. Having good credit and establishing an LLC are the first key steps in this process. It not only creates a solid foundation for your business but also opens the door to various funding opportunities, saving opportunities, and tax write offs all while safeguarding your personal assets.

In this guide, I aim to share insights and strategies that I've used that I know can help you leverage your excellent credit score to turn your business aspirations into reality and best of all experience financial freedom. Together, let's embark on this journey toward entrepreneurship and financial empowerment.

DISCLAIMER: THIS IS NOT AN OVERNIGHT PROCESS!!!

WHAT MAKES YOUR BUSINESS CREDIBLE

When forming your business you have to make sure it is properly structured. Here are the important things needed to ensure your business is set-up to secure up to **\$150k** funding immediately.

Making sure you are properly register your business with the state

- Business Bank Account
- Business Email
- Business Address
- Payment Processor
- Website (If business includes products)
- Business Plans



TIPS

- *You can use Fiverr to complete a full business plan*
- *I used them to create a business plan for my ice cream business for up to \$500.*

STEP 1:

Registering your Business

When registering your business you need to pick a name and proper structure for your business depending on you and your business needs.

Register with the secretary of state you either live in or want to start your business in.

When choosing business name select a name that is unique and distinct to your businesses industry



TIPS

- Always include either Enterprises, LLC, or Corporation.
- High Risk businesses are harder to get funding with **for example** Real Estate and Trucking so do not include that in our business name.



TIPS

- *Be sure to do some research on what are high risk businesses before you start your LLC process*

Here are the pros and cons of the corporations you can legally register for. As they are other business structures these are the main ones to consider.

Sole Proprietorship

A sole proprietorship is the simplest business structure, where an individual owns and operates the business. There is no legal distinction between the owner and the business

Pros:

- **Easy to Set Up:** Minimal paperwork and low costs to establish.
- **Complete Control:** The owner has full decision-making authority.
- **Tax Simplicity:** Income is reported on the owner's personal tax return, avoiding double taxation.

Cons:

- **Unlimited Liability:** The owner is personally liable for all debts and obligations of the business.
- **Limited Funding Options:** Raising capital can be challenging, as it relies on personal finances or loans.
- **Lack of Continuity:** The business may cease to exist upon the owner's death or decision to close.

Limited Liability Company

An LLC is a hybrid business structure that combines the benefits of a corporation and a sole proprietorship or partnership. Owners & or members have limited liability for business debts.

Pros:

- **Limited Liability:** Members are not personally liable for business debts.
- **Flexible Tax Treatment:** Can choose to be taxed as a sole proprietorship, partnership, or corporation.
- **Less Formality:** Fewer ongoing formalities compared to corporations

Cons:

- **Varied State Laws:** Regulations and fees can vary significantly by state.
- **Self-Employment Taxes:** Members may be subject to self-employment taxes on earnings.
- **Limited Life:** In some states, an LLC may dissolve upon a member's departure.

**Any Funding you get under your business with an LLC
DOES NOT report to your personal credit UNLESS you
default or don't pay back within your terms.**

Partnership

A partnership is a business structure in which two or more individuals manage and operate a business together, sharing profits and losses.

Pros:

- **Easy to Establish:** Generally simple to set up with minimal paperwork.
- **Shared Resources:** Partners can pool capital and share skills and expertise.
- **Tax Pass-Through:** Income is passed through to partners and taxed at their individual rates.

Cons:

- **Unlimited Liability:** Partners can be personally liable for business debts and obligations.
- **Potential for Conflict:** Disagreements among partners can lead to disputes.
- **Shared Profits:** Profits must be shared among partners, which can reduce individual income.



C-Corp

A C corporation is a legal entity separate from its owners (shareholders). It can be taxed independently, and shareholders are not personally liable for business debts.

Pros:

- **Limited Liability:** Shareholders are protected from personal liability.
- **Unlimited Growth Potential:** Can raise capital through the sale of stock.
- **Perpetual Existence:** The corporation continues to exist independently of ownership changes.

Cons:

- **Double Taxation:** Income is taxed at the corporate level and again as dividends to shareholders.
- **Regulatory Complexity:** Requires more formalities, including record-keeping and meetings.
- **Costly to Establish:** Higher setup and maintenance costs compared to other structures.

S Corporation

An S corporation is a special type of corporation that allows income to pass through to shareholders for tax purposes, avoiding double taxation. It must meet specific IRS criteria.

Pros:

- **Pass-Through Taxation:** Income is reported on shareholders' personal tax returns, avoiding double taxation.
- **Limited Liability:** Shareholders have protection from personal liability.
- **Attractive to Investors:** Can issue stock to raise capital.

Cons:

- **Eligibility Restrictions:** Must meet specific IRS criteria (e.g., number of shareholders, types of shareholders).
- **Formalities Required:** Must adhere to strict operational processes and documentation.
- **Limited Ownership Structure:** Restrictions on the number and type of shareholders (e.g., no foreign shareholders).

Personally, I have all of my business Registered as an LLC and then move to an S-corp for tax purposes.

LLC depending on the state ranges from **\$100-\$500**.

After registering your business it takes 1-4 weeks to get your articles of organization depending on the states and requirements you choose.

It is **IMPORTANT to research specific requirements for your location and business type to ensure you completed all the proper steps for registration.**

STEP 2:

EIN

After registering your business you need to apply for an EIN Number

EIN: An EIN is a federal employer identification number that is a unique 9 digits that the IRS uses to assign to businesses, nonprofit organizations, estates, trusts and other tax identification purposes.

What do you use the EIN for? EIN is like a social security number for your business, when filling out applications you put this number instead of your social security number

To obtain an EIN you can apply online through the IRS website by mail, phone or fax. <https://www.irs.gov/>

This process is **FREE**, and the IRS will issue the EIN IMMEDIATELY upon successful completion of the application



STEP 3:

Opening your business bank account

After you receive your articles of organization and you have your ein letter you are one step closer to securing your funding

Opening a business bank account is very essential as it helps separate your personal funds and business funds as it can affect your taxes at the end of the year.

Business Bank Accounts

(Chase, BOA, Navy Fed, Truist, Citizens)

American Express (Amex) we love Amex because they give no limits
(Amex requires your business to have good standing)

You can qualify for funding with all of these banks as a new business.

Building relationships with the banks: Making deposits frequently shows money flowing through the account which means your business is making money



TIPS

- *Set up direct deposit, split your 9-5 checks into each of the accounts you create for your business, zelle back and forth every week between accounts, always leave about \$100 in each account.*

My biggest recommendation is to open an account with multiple banks and build relationships with them. **(Business & Personal Accounts).**

You can qualify for business funding with just your ein number not using your personal credit as well. **YOU HAVE TO START BUILDING BIZ CREDIT FIRST**

Funding ebook on the processes tips and the ins and outs of business credit funding coming soon



Other Important Procedures

Getting your D&B Street number

Dun & Bradstreet is a global company that provides commercial data analytics and insights for businesses.

Your D-U-N-S Number is a unique 9 digit number that is used to identify businesses that is used by various organizations, like government entities to assess creditworthiness and business performance

- This is different than your EIN number

A strong D&B credit profile can improve a business's chance of obtaining loans, line of credit and favorable terms with suppliers which are very crucial for growth.

<https://www.dnb.com/>

Many government agencies and large corporations require a DUNS number when applying for grants and bidding on grants.

Having a duns number helps businesses find new customers Helps the business qualify for financing



Useful Websites and Tools

Business Address

<https://www.alliancevirtualoffices.com/>

Business Phone

https://www.openphone.com/home?utm_campaign=%7BNS_Branded_Search_USA%7D&utm_source=google&utm_term=open%20ph

Business Email & Website

<https://www.godaddy.com/>

Business Credit Start-up

https://www.nav.com/nav-prime/?utm_campaign=1408193156&adgroupid=&utm_source=google&utm_medium=cpc&utm_content=&utm_term=&adid=&gclid=Cj0KCQjwjNS3BhChARIsAOxBM6pRKiXj1HbAOI-mAgfqp5VDN6b3mQGnMmwMjGG57NqdWYYjneKyXPUaAkcUELw_wcB

When you join my mentorship, you get access to all these shortcuts



THE CREDIT ADVANTAGE MENTORSHIP GROUP

MENTORSHIP WILL INCLUDE:

- Obtaining Duns Number
- Creation of operating agreement and or partnership agreements
- Start building business credit
- Access to a group chat with like-minded individuals
- Weekly Calls
- 1/1 LLC Set Up
- Access to Funding Specialist

DISCOUNTED DUE TO PURCHASE OF EBOOK

