

# **Factoring 101 for Texas Small Businesses**



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# Your Essential Guide to Factoring

Invoice factoring is a trusted and reliable way to access funding when you need it for your business. You can take unpaid invoices and turn them into cash, freeing up your cash flow. How does it work? Keep reading for our breakdown of invoice factoring and its advantages!



**Ernane lung**

President & Owner of ei Funding

# What is Factoring?

Factoring is a **cash advance on your company's invoices**. It's not a loan or a line of credit. Instead, you present an invoice for funding to a factor and receive an upfront advance of up to 80-90% of the value of the invoice.

A factor is a third party in the process that provides you with the advance on your invoices. They also collect on the invoice from your customer.

With factoring, you can access the capital you need quickly. You can use the funds to pay bills at your business, hire staff, purchase materials or for any other needs you may have at your company.

# How Factoring Works, Step by Step

Does your Texas business need funding? Factoring an invoice is a simple process that can help. It's easy for you to use for stopgaps in cash flow or for pursuing growth opportunities.

## Here's exactly how it works:

1. Goods are delivered or services are rendered. This generates an invoice.
2. You present the invoice for funding to a factor.
3. The factor advances you a percentage of the invoice's value. This is typically **80-90%**.
4. Your customer pays the factor.
5. Once the invoice's payment is confirmed, the factor releases any remaining funds, minus a small fee.

# How Factoring Can Help Your Texas Small Business

So, why is factoring so advantageous for businesses? There are many reasons, but here are just a few:

- You can use the funds from your advance however you need to.
- Using invoice factoring can help you get through "dry spells" of liquidity without taking on new debt.
- You can factor as many invoices as you want, so you aren't capped for the amount of funds you have access to.

Invoice factoring can be helpful for any business, big or small. Whether you've just started your business or want to grow, factoring is a great tool to have at your disposal.

# Get the Funding You Need, Quickly

When you need funds for your business, ei Funding can help. We provide factoring for businesses all across Texas, from manufacturing to telecom companies. We'll put our expertise to work to help you grow your business. Apply today and get started with invoice factoring!

[APPLY NOW](#)



## About ei Funding

One of the top invoice factoring companies for small businesses, ei Funding helps companies quickly turn their aging invoices into cash through invoice factoring. With debt consolidation and P.O. financing solutions available as well, ei Funding serves as more than a service provider, but also a trusted financial advisor and partner to help businesses get the funds needed today to continue growing.