

**Title:**

How To Finance Your Government Contracts

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306

**Summary:**

Are you selling products or services to the federal government? Every year, city, county, state and the federal government buy billions of dollars in goods and services from business of all types.

**Keywords:**

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**Article Body:**

Are you selling products or services to the federal government? Every year, city, county, state and the federal government buy billions of dollars in goods and services from business of all types.

Although doing business with the government is great and financially rewarding, it can also be hard on your cash flow. Why? Government agencies take, on average, about 40 days to pay their invoices. In the meantime, you have to cover all your recurring expenses such as payroll, rent and supplier payments.

This is not a problem if you have 60 days worth of operating capital in your bank account. But what if you don't? In that case, many business owners will try to get a business loan. Although that may help, business loans are tough to get and take a long time to set up. Also, business loans have set limits. What business owners need, is a product that provides financing solely based on the business opportunity - on sales possibilities. This product exists and is called invoice factoring. There are many factoring companies that specialize in factoring government contractors and vendors.

Factoring accelerates your government payments, and enables you to get paid in days rather than months. It's a form of financing where the factoring company advances you money against your government receivables. You get to use the funds immediately, while waiting to get paid. Once the government pays, the transaction is settled.

If you are reselling products to the government, you should also consider

purchase order financing. In this case, the factoring company provides you with financing to pay your suppliers, enabling you to make the sale. Purchase order financing works well with invoice factoring and can also help you grow your company - exponentially.

So, if you own a business that sells to the government, be sure to look into factoring and purchase order financing.