

SCORE UTAH

Capital Ready Toolkit

Preparing to Approach a Lender with Confidence

Utah Lender Ready Series • June 23, 2026

Presented by SCORE Utah • Free, confidential mentoring and education for entrepreneurs

Name:

Date:

Business:

SECTION I | Capital Readiness Self-Assessment

Before you schedule a lending conversation, ask yourself:

Business Fundamentals

- I can clearly explain what my business does in one sentence
- I can describe my target customer
- I understand my gross margin
- I know my monthly operating expenses
- I know my break-even point

Financial Readiness

- I have current Profit & Loss statements
- I have a Balance Sheet
- I have 12–24 month cash flow projections
- I understand my Debt Service Coverage Ratio (DSCR)
- I know how much I can afford to repay monthly

Credit & Risk Profile

- I know my personal credit score
- I understand my collateral position
- I can explain how funds will reduce risk or increase revenue
- I can show historical financial consistency

Capital Strategy

- I know exactly how much I need
- I know how funds will be used
- I know the expected return on that capital
- I understand whether debt or equity is appropriate

Your Readiness Score

If you cannot confidently check 80% of these items, consider enrolling in SCORE Utah's Capital Readiness Certification Program. Our mentors can help you close the gaps. See the final section of this workbook for details.

SECTION 2 | Required Documents Checklist

Most lenders will require the following documents. Use this checklist to prepare your application package.

Business Documentation

- Business plan or executive summary
- Articles of incorporation / organization
- Business licenses
- Ownership structure breakdown

Financial Documentation

- Last 2–3 years business tax returns
- Last 2–3 years personal tax returns (for owners >20%)
- Current Profit & Loss statement
- Current Balance Sheet
- Accounts receivable aging report
- Accounts payable aging report

Projections

- 12–24 month cash flow forecast
- Assumptions behind projections
- Revenue model explanation

Personal Documentation

- Personal Financial Statement
- Resume of key owners
- Schedule of existing debts

Pro Tip: Disorganized documentation is one of the most common causes of delayed or denied funding. Invest time upfront to organize your package before you approach a lender.

Notes:

SECTION 3 | Funding Goal & Capital Use Worksheet

Step 1: Define the Amount

Total Capital Requested:

Breakdown:

Equipment: _____	Marketing: _____
Working Capital: _____	Inventory: _____
Hiring: _____	Other: _____

Step 2: Define the Impact

If funded, this capital will:

- Increase revenue by \$_____ within ___ months
- Improve gross margin by ___%
- Reduce operating risk
- Increase production capacity
- Support expansion into new markets

Step 3: Repayment Capacity

Projected Monthly Net Operating Income:	
Projected Monthly Loan Payment:	
Debt Service Coverage Ratio (DSCR):	

DSCR = Monthly Net Operating Income ÷ Monthly Debt Service • Lenders typically require 1.20 or higher.

DSCR Benchmark	Lenders typically look for a Debt Service Coverage Ratio (DSCR) of 1.20 or greater. A DSCR below 1.0 means your business does not generate enough income to cover debt payments.
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Step 4: Capital Alignment

Is this capital:

- Short-term bridge financing
- Growth financing
- Asset acquisition
- Refinancing existing debt
- Startup capital

Is debt the right tool? Or is equity more appropriate? Your notes:

SECTION 4 | Avoiding Misaligned Capital

Before applying, ask yourself these critical questions:

- ? Am I borrowing to fix operating losses? Borrowing to cover recurring losses signals a structural business problem, not a capital gap. Fix the underlying issue first.**
- ? Am I taking equity too early? Giving up equity before establishing value can cost you significantly in the long run. Understand your valuation before any equity conversation.**
- ? Is my revenue predictable enough for debt? Lenders need confidence in your ability to repay. Highly variable or seasonal revenue increases risk and may require special structuring.**
- ? Am I overleveraging? Taking on more debt than your cash flow can support creates fragility. Stress-test your repayment capacity against lower-revenue scenarios.**
- ? Do I understand the full cost of capital? Beyond interest rates, consider fees, covenants, equity dilution, and personal guarantees. The cheapest rate is not always the best deal.**

Wrong capital can slow growth or create unnecessary risk. A SCORE mentor can help you evaluate your capital strategy before you apply.

My capital strategy notes:

SECTION 5 | What's Next?

If you are serious about securing capital, take the next step.

Consider Enrolling In
SCORE Utah's
Capital Readiness Certification Program
A structured five-week cohort to prepare you for lender success

This program helps you:

- Refine financial projections
- Assemble a complete lender-ready documentation packet
- Stress-test your capital strategy
- Improve your lender presentation
- Increase approval probability

**Why
Certification
Matters**

Certified participants demonstrate a higher level of preparation and commitment to potential lenders. Completing the program signals that you have done the work to be a low-risk borrower.

Summer 2026 Cohort

Enrollment Deadline: July 1, 2026
Launch: July 23, 2026
15 seats • \$695 per participant

Learn More & Register

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Schedule Free Mentoring

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