
The Business Bankability Scorecard



15 Points to Ensure Your Financials Pass the Underwriter's Desk

SHAFFER FINANCIAL
BOOKKEEPING

As a former Commercial Loan Underwriter, I've seen thousands of loan applications. The #1 reason for a 'No' isn't always a bad business - it's bad data. Use this scorecard to determine if your books are an asset or a liability for your next capital raise.

Phase 1: Balance Sheet Integrity

Underwriters look here first to see if they can trust your numbers.

- The "Penny" Match:** All bank, credit card, and line of credit balances in QBO match your physical statements to the penny.
- Loan Mirroring:** Every business loan or equipment lease is recorded as a liability, with principal and interest split correctly.
- The "Communion" Test:** Zero personal expenses are flowing through the business. (Personal draws are clearly separated from business operations).
- A/R Health:** Your Accounts Receivable aging report is "clean" - meaning no 90+ day uncollectible invoices are inflating your assets.

Phase 2: Profit & Loss (P&L;) Accuracy

This shows the bank you have the "horsepower" to pay back a loan.

- Standardized COA:** Your Chart of Accounts is grouped by industry standards, not a 3-page list of "Miscellaneous" items.
- EBITDA Clarity:** Large, one-time expenses (like a roof repair or a legal fee) are tagged so an underwriter can "add them back" to show your true earnings.
- Payroll Alignment:** Your "Wages" expense in QBO matches your 941 filings and W-3 totals.
- Revenue Recognition:** Income is recorded when earned, not just when the bank deposit hits, providing a true view of monthly performance.

Phase 3: The Underwriter's Edge

The high-level metrics that determine your interest rate and approval.

- DSCR Monitoring:** You know your Debt Service Coverage Ratio (your ability to pay debt with current cash flow).
- Debt-to-Worth:** Your total liabilities compared to your equity is within industry-standard ranges (usually 3:1 or better).
- Inventory Integrity:** If you carry stock, your "Inventory" asset account is updated monthly, not just at year-end.

Phase 4: Document Readiness

Lenders hate waiting. Being "Ready" signals a low-risk borrower.

- The "Digital Vault":** A folder containing 3 years of Tax Returns, current Year-to-Date Financials, and an updated Debt Schedule.
- CPA Alignment:** Your internal QBO reports for the prior year match your filed Tax Returns exactly.
- Bank Statement Packet:** You can provide the most recent 3-6 months of bank statements, with deposits that tie to recorded revenue.
- A/R and A/P Schedules:** Current A/R and A/P aging reports that reconcile to your balance sheet totals.

How Did You Score?

12-15 Points:	You are Lender-Ready. You have maximum leverage with your bank.
8-11 Points:	You have Yellow Flags. An underwriter will likely ask for more narrative or collateral.
Under 8 Points:	You are at High Risk for a loan denial or high interest rates.

Get a Professional "Bankability Scan"

I offer a free 15-minute diagnostic for Lancaster County business owners. I'll look at your QBO and tell you exactly what an underwriter will flag before you apply for your next loan.