



Small Business Financing Using Funds From Your Retirement Account

by Suzy Grainger, Sales & Marketing Manager DRDA CPAs & Business Consultants

Owning a business is the ultimate dream, and something you have been thinking about doing for a long time. However, your funding may be limited, and most business loans require collateral, good credit, and in some cases an established professional history in the industry. Fortunately, there is another option with the BORSA™ Plan which unlocks a financial structure allowing access to your 401(k)/IRA retirement accounts to start a business – without paying upfront taxes or early withdrawal penalties. The funds are not a loan. Therefore, there are no hefty interest or monthly installment payments. The funds may be used to start a business, purchase a business, add funds to an existing business, or as a down payment on a loan to purchase.



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Self-Directed 401(k) Business Financing

Using retirement money to fund a business is not a new concept, but it probably an option less known to many people. Our purpose is to introduce, teach, and administer this funding program via the BORSA™ Plan. Along with our support and guidance throughout the process, we are confident you will come to appreciate the many benefits of a self-directed 401(k) which are not found in other forms of financing.

Some of the Benefits of Utilizing the BORSA™ Plan

- 1. Savings** – The BORSA™ Plan assist you in rolling over retirement funds under the ERISA 1974 guidelines. Normally, an early distribution from a retirement plan could cost more than 50% in taxes and penalties. Using the BORSA™ program will enable an individual to invest their retirement funds into a new business or franchise without being penalized for early distribution or taxes as income.
- 2. Self-Investment** – Continue to contribute into your future retirement by reinvesting money into your own business and retirement plan.
- 3. Business Investment** – Invest in your business: the funds can be used to pay all start-up business expenses, including marketing, working capital, staff and labor, equipment vendors, training, etc. Watch your business grow without accruing debt from bank loans and interest payments.
- 4. Simplicity** – The BORSA™ Plan typically takes 30 days from engagement to funds in hand. The BORSA™ Team will work with you personally throughout the entire process and is always available to answer questions.

DRDA Assurance

Receiving these funds in hand is just the beginning of our business with you. You are about to embark upon a big journey and DRDA can assist you with every aspect along the way.

Professional Support – Our team is here to support you through the BORSA™/ROBS process and beyond along with a dedicated Account Manager.

BORSA™ Guarantee – Our team will help keep you IRS compliant and guide you through all aspects of compliance. Take our advice and we will cover you with the BORSA Guarantee.

Committed to Your Success – DRDA CPAs & Business Consultants is a full-service CPA firm with a specific focus on small businesses and their owners. For over 40 years we have helped entrepreneurs to start, grow, and exit their businesses successfully.

Array of Services to Support You – Along with providing the BORSA™ Plan, DRDA can support your business moving forward with an array of services:

- QuickBooks Training
- Corporate Reporting
- Tax Planning
- Strategic Planning and more



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