



Integrity Medical Capital, LLC

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The Advantages of IMC Financing

vs. a

Cash Payment

What are the differences? What are the advantages of IMC Financing vs. a cash payment?

Opportunity Cost: By using cash to purchase equipment you incur an “Opportunity Cost”. This cost represents the lost revenue, growth, etc. that you suffer by NOT investing your cash in another, more lucrative, investment. Remember, acquiring equipment for your practice is not an investment, it is a business cost. **IMC financing eliminates “Opportunity Costs” because your cash remains in your possession and available to invest in more lucrative opportunities.**

Negative Profitability and Cash Flow: Why use cash and put yourself in an immediate negative cash flow situation? Particularly when it might take years of equipment use to repay yourself. **IMC financing allows you to generate positive profits and cash flow from the first day of equipment use.**

Illiquidity: By unnecessarily paying cash for equipment you are more “illiquid”. You no longer have that cash and flexibility to meet immediate payment requirements, emergency payments, etc. **IMC financing allows you to remain as “liquid” as possible and preserves your cash for surprise and emergency needs. CASH IS KING.**

Use Pre-Tax Dollars Not After-Tax Dollars: The cash paid for equipment has already been taxed and is considered “after-tax” cash. Its expenditure is not tax deductible. Monthly financing payments are considered “pre-tax” funds. **By using IMC financing, you retain your After-Tax dollars which are more costly than Pre-Tax dollars.**

Tax Deductions are the Same: The Section 179 100% tax deduction may be available to you regardless of how you acquire the equipment. A cash payment for the equipment does not improve your tax deductions. **IMC financing allows you to take the Section 179 100% deduction.**

Balance Sheet Impact: By paying cash it creates a negative impact on your Balance Sheet by reducing your “Current Assets”. The equipment is a long-term asset. Typically, a business wants to maximize Current Assets whenever possible. **IMC financing, unlike a cash payment, improves your Current Assets, Balance Sheet, and financial ratios.**