

Three Benefits of Equipment Financing

by Rick Wehner, Brewery Finance

In these toughening craft beer times, getting access to funds and equipment is especially crucial. That's why equipment financing is a savvy way to get gear in today's ever-changing craft beer landscape. Here are three tips from Brewery Finance founder Rick Wehner on why equipment financing works for craft brewers.

1. **Keep Your Cash:** Save your working capital for business-building needs and emergencies.

Accountants will frequently advise brewers not to use "short-term" money on a "long-term" asset. We fully agree with that wise advice. With the proper financing, your new equipment performs like a high-quality star employee: it pays for itself while boosting production or efficiency and helping you meet your goals. But would you pay an employee 5 years in advance? Heck no. Why pay for your equipment all at once?

2. **Accounting Benefits:** Monthly payments may be deductible as operating expenses.

Need some depreciation for your taxes? By financing your equipment, you can depreciate the full value of that asset in the year it is put into service. (See Section 179 of the IRS tax code for more details). Don't need more depreciation but want to write off your monthly payments as an operating expense? Lease your equipment. You'll still have the option of owning it at the end of the term *and* you'll have the benefit of writing off your monthly payment for the term of the lease. A classic win-win scenario.

3. **100% Financing:** Leasing covers all equipment and can tackle training, installation and other costs.

Shipping, set-up, taxes... it all adds up fast. Your \$100,000 canning line could wind up costing you \$120,000 or more when these other costs are added to the final bill. Those additional out-of-wallet costs can hurt your cash flow, too. But by financing/leasing your equipment, you can include these so-called "soft" costs in your financing package. That leaves you with vital greenbacks for other projects and marketing efforts. (You are conducting important promo efforts, right?)

If you're in need of brewing and packaging equipment, kegs, vehicles and other essentials, use the upside of equipment financing to your advantage. Need more info? Visit www.breweryfinance.com or reach Rick at rickw@breweryfinance.com.

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Founded in 2005 in Colorado, Brewery Finance is America's first craft-beer-focused equipment lender. In its early days, founder Rick Wehner helped Oskar Blues, Russian River, 21st Amendment and other now legendary breweries get equipment when banks wouldn't help them. Today Wehner continues to help startup, early stage and established breweries quickly and affordably get the gear they need to succeed.



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Rick Wehner founded Brewery Finance in 2005 and has since provided nearly 1500 startup and established brewers with vital equipment funding to help them launch, grow and flourish.