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Choosing Between Custodial IRA or Checkbook IRA

As with all things financial there are plus and minuses to every form of an IRA. The easiest Self Directed IRA for you to manage is a "Custodial Self Directed IRA". However, there are situations where a Checkbook IRA serves a purpose. When selecting between a Custodial SD IRA and a Checkbook SD IRA. It is best to know some basic facts to help you choose the type that is best for you.

		Self Directed <u>Custodial</u> IRA	Self Directed <u>Checkbook</u> IRA
1	Common	Most Common	Less Common
2	May be Traditional SD IRA or a Roth SD IRA	Yes	Yes
3	Provides very good asset protection	Yes	Yes
4	May make any investment that is not a Prohibited Transaction	Yes	Yes
5	Start up cost	About \$175	About \$1,295 Plus cost of LLC Filing
6	Ongoing cost	Based only on activity	Flat \$255 Plus cost to renew the LLC
7	Investment documents reviewed for proper titling	The IRA Company	The account owner (you)
8	Investment document maintenance	The IRA Company	The account owner (you)
9	Prohibited transaction review	The IRA Company (no charge - upon request)	The account owner (you)

See Other Side
for
More Information

10	Annual renewal the LLC with the State	Not required	The account owner (you)
10	New Contributions of funds	One step process with the IRA Club	Two step process / Funds must be contributed to the IRA first
11	Distributions of funds	One step process with the IRA Club	Two step process / Funds must be returned to the IRA first
12	Best for	Most IRA Owners	Tax Lien Investors Buying at Auction

Important Notes for people still considering a Checkbook IRA:

A. If you are considering a Checkbook IRA please note that YOU are solely responsible for compliance with 7, 8, 9, 10 & 11.

B. The owner of a Checkbook IRA is solely responsible for the bookkeeping of the IRA LLC and maintenance of documents.

C. The IRA LLC can NEVER take any action that provides current personal benefit (monetary, goods, services, or other benefit) to the IRA owner or member of their family.