

Bank Authorized  
Equipment Leasing and Financing Agents



- \* Healthcare
- \* High Technology
- \* Broadcasting
- \* Colleges
- \* Industry
- \* Municipal / Govt.

## LEASE FINANCING VS. CREDIT CARD

	<b>EQUIPMENT LEASE</b>	<b>PERSONAL CREDIT CARD ("CC")</b>
<b>LEGAL ASPECTS, CORPORATE VAIL</b>	<b>RETAIN CORPORATE PROTECTION BY NOT MIXING BUSINESS PURCHASES WITH PERSONAL CC FINANCING</b>	USING A PERSONAL CREDIT CARD TO BUY CORPORATE ASSETS IF INCORPORATED COULD REDUCE CORPORATE PROTECTION
<b>ACCOUNTING FOR BUSINESS ASSETS</b>	LEASING BUSINESS ASSETS KEEPS ON CORPORATE BOOKS	PURCHASING USING A PERSONAL CC PUTS TITLE INTO YOUR PERSONAL NAME REQUIRING A SEPARATE ENTRY TO TRANSFER TO CORPORATE BOOKS BY ADDING CAPITAL, OR MAKING A STOCKHOLDER LOAN ETC.
<b>FLIGHT MILES OR OTHER BENEFITS AND RISKS</b>	NOT AN ISSUE	FLIGHT MILES FOR USING A CREDIT CARD ARE MINIMAL IN VALUE AND AS A SPECIAL CC PROGRAM, THE RATE COULD CATIPULT UP IF A PAYMENT IS EVEN ONE DAY LATE IN THE FUTURE
<b>ACCOUNTING OPTIONS</b>	WRITE OFF ALL AT ONCE USING IRS SECTION 179, OR WRITE OFF OVER 5 YEARS, OR NOT SHOW AS DEBT ON BALANCE SHEET AT ALL	MUST SHOW AS DEBT ON PERSONAL BALANCE SHEET IF A PERSONAL CC, AND IF ASSET IS TRANSFERRED TO BUSINESS, MUST SHOW AS DEBT THERE
<b>WRITE OFF AS A BUSINESS EXPENSE</b>	YES, DEFINITELY	USING A PERSONAL CC IT COULD BE ARGUED THAT IT IS A PERSONAL EXPENSE FOR TAX PURPOSES, NOT A BUSINESS ONE AND WITH A REDUCED OR ELIMINATED TAX SAVINGS
<b>FICO SCORE ON PERSONAL CREDIT EFFECTED BY THE DEBT AND COULD GO DOWN</b>	NO	YES
<b>DEBT REPORTED ON PERSONAL BUREAUS EFFECTING DEBT RATIOS AND OVERALL CREDIT RATING</b>	NO	YES
<b>IMPRESSION OF HAVING HIGH CC BALANCES ON OTHER LENDERS</b>	NOT A PROBLEM	HIGH CC BALANCES GIVES A BAD IMPRESSION TO OTHER LENDERS FOR HOME LOANS, REFINANCES, ETC.
<b>OPTION TO SET UP AS AN OPERATING LEASE TO LOWER PAYMENTS AND MAKE THE PURCHASE AN OPTION</b>	YES, COULD ELECT TO HAVE LOWER PAYMENTS, AND NOT EXERCISE THE OPTION TO BUY AT THE END AND THEN EASILY UPGRADE THE EQUIPMENT	NO, NO OPTION TO PURCHASE SINCE THE EQUIPMENT WILL BE FULLY PAID OFF
<b>MULTIPLE SUPPLIERS OK</b>	WE CAN ARRANGE PAYMENTS TO MULTIPLE SUPPLIERS, ALL OF WHOM MIGHT NOT ALLOW THE USE OF A CC	MAYBE ONLY A FEW WOULD ACCEPT A CC
<b>VENDORS MIGHT GIVE DISCOUNTS TO YOU FOR NOT USING A CC</b>	THE FEE TO THE VENDOR FOR YOU USING A CC MAY BE 3% OR SO AND YOU COULD GET THIS A DISCOUNT ON A LEASE	USING A CC COSTS THE VENDOR 3% MORE NORMALLY SO WOULD NOT REDUCE THE EQUIPMENT COST BY THIS AMOUNT

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<b>CASH ADVANCE FEE ON CC IF VENDOR DOESN'T ALLOW YOU TO USE IT DIRECTLY AD PROBABLY A HIGHTER INTEREST RATE</b>	NO EXTRA FEES	IF YOUR SUPPLIER DOESN'T ALLOW YOU TO USE YOUR CC THERE AND YOU GET A CASH ADVANCE, THERE COULD BE A 3-5% FEE AND A HIGHER INTEREST RATE
<b>CREDIT CARD COMPANIES CURRENTLY LOWERING CREDIT LIMITS, CHANGING TERMS, RAISING RATES</b>	RATES AND TERMS FIXED SO YOU CAN COUNT ON NO CHANGES	HIGHER COSTS COULD BE TRIGGERED EASILY
<b>EFFECTIVE RATE AND PAYMENTS – OPERATING LEASE</b>	MUCH LOWER RATE AND PAYMENTS OVER THE YEARS (OPTIONAL PURCHASE OPTION AT THE END OF THE LEASE)	HIGHER RATE AND PAYMENTS DUE TO BEING A FULLY AMORTIZED
<b>EFFECTIVE RATE – FINANCE LEASE WITH \$1 OUT</b>	EQUAL TO OR EVEN LOWER THAN A BANK LOAN NORMALLY	EQUAL TO OR LOWER POSSIBLY
<b>CREATIVE PAYMENT OPTIONS</b>	YES, ONLY \$100 TO START AND \$100 PER MONTH FOR 6 MONTHS UP TO \$75K, SEASONAL PAYMENTS, AND 9 OTHER OPTIONS	ONE SIZE FITS ALL AND NORMALLY THE AMORTIZATION PERIOD IS OVER 2-3 YEAR
<b>LENGTH OF TERM</b>	OPTIONS OF 1, 2, 3, 4, 5, 6, OR 7 YEARS TO PAY.	NORMALLY LIMITED TO BEING AMORTIZED OVER 24-36 MONTHS WITH CORRESPONDING HIGHER PAYMENTS
<b>*****VERY IMPORTANT***** USING AN EQUIPMENT LEASE FOR YOUR EQUIPMENT KEEPS AVAILABLE CC CREDIT LINES OPEN FOR CASH NEEDS</b>	YES, USING LEASING LEAVES CC LINES OPEN TO GET CASH FOR BUSINESS EMERGENCIES OR PROBLEMS	MANY BUSINESSES USE THEIR CC FOR LINES OF CREDIT AND BUYING SUPPLIES AND USE LEASING COMPANIES FOR EQUIPMENT
<b>SHORT TERM VS. LONG TERM FINANCING</b>	EQUIPMENT LEASING IS TYPICALLY LONG TERM FINANCING	TYPICALLY SHORT TERM FINANCING TO BE PAID OFF THE NEXT MONTH AFTER USING THE CONVENIENCE OF A CC
<b>CAN PRE-PAY SUPPLIER</b>	YES	YES
<b>EASE OF BORROWING</b>	VERY EASY	NOT AS EASY- ESPECIALLY LARGE BANKS DON'T WANT TO BOTHER WITH LITTLE LOANS AND ARE MUCH MORE CONSERVATIVE
<b>NEED PERSONAL GUARANTEES OF ALL OWNERS</b>	NO, SOME OR ALL CAN BE EXCLUDED IF QUALIFIED	YES, NORMALLY
<b>USE OF BUSINESS REAL ESTATE AS SECURITY</b>	NO	YES, NORMALLY
<b>SPOUSES PERSONAL GUARANTEE</b>	NO	YES, NORMALLY
<b>USE OF PERSONAL OF ALL OWNERS</b>	YES, ALL MAJORITY OWNERS SHOULD SIGN THE LEASE PERSONAL GUARANTEE, NOT SIGLE OUT JUST ONE TO GUARANTEE AS IS THE CASE WITH A CC	A CC HAS THE GUARANTEE OF THE OWNER OF THE CC BUT NO GUARANTEE FROM HIS OTHER BUSINESS PARTNERS WHEN ALL SHOULD SHARE IN THE RESPONSIBILITY
<b>ACCOUNTING</b>	NORMALLY NOT SHOWN AS DEBT, JUST A MONTHLY RENTAL	YES, SHOW AS DEBT ON FINANCIALS
<b>ACCOUNTING PROCEDURES</b>	NORMALLY WRITE OFF ENTIRE PAYMENT MONTHLY	NORMALLY IT IS CAPITALIZED AS A DEPRECIATING ASSET OVER 5 YEARS ON THE FINANCIALS WHICH COMPLICATES BOOKEEPING AND TAX RETURNS
<b>INCOME STATEMENT SIMPLE</b>	YES – MOST BUSINESSES DEDUCT THE ENTIRE PAYMENT	NO, THE ACCOUNTANT NORMALLY NEEDS TO SEPARATE THE PRINCIPAL AND

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		INTEREST AND LET YOU WRITE OFF ONLY THE INTEREST
<b>ACCOUNTING</b>	IN BUSINESS NAME	PERSONAL NAME, AND MUCH TOUGHER TO QUALIFY TO HAVE IN BUSINESS NAME
<b>RETURN EQUIPMENT AT END OF LEASE OPTION</b>	YES	NO
<b>ASSISTANCE IF YOU WANT SOMEONE TO ASSUME THE EQUIPMENT LEASE</b>	YES	NO
<b>HOLD UP PAYMENT TO SUPPLIER UNTIL YOU ARE 100% SATISFIED</b>	YES, WE PAY SUPPLIER AFTER DELIVERY AND YOU ARE 100% SATISFIED WITH THE EQUIPMENT	NORMALLY PAY ALL UP FRONT PRIOR TO DELIVERY
<b>FIXED RATE YOU CAN COUNT ON</b>	YES	THE RATE COULD GO UP IF THE CC COMPANY CHANGES THEIR POLICY, IF A RATE INCREASE OCCURRES DUE TO BEING LATE WITH A PAYMENT AND ANY SPECIAL PROMOTION PRICING IS DROPPED
<b>LEASE OTHER EQUIPMENT, SOFTWARE, SERVICES FROM MULTIPLE SUPPLIERS ALL ON ONE LEASE</b>	YES	NOT ALL SUPPLIERS ACCEPT A CC FOR PAYMENT

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