Consider Lease Financing Your Next Technology Acquisition

Since leasing remains the single most widely used method of external finance, you may want to consider lease financing your next acquisition. Leasing is an integral element in the total lifecycle solution. In addition, it affords businesses the ability to acquire equipment essential to meet the competitive demands of today's business environment. Here are a few more reasons why leasing through CBTS Financial Services is a more viable option than expending your corporate capital.

How Does Leasing Impact Your Bottom Line?

- Eliminates down payments through 100 percent financing
- Offers fixed rate, fixed payment financing
- Ensures flexible structuring
- Hedges against inflation
- Keeps debt lines free
- Offers lower scheduled payments
- Features off-balance-sheet financing method
- Improves liquidity, leverage, solvency and profitability ratios
- Eliminates cumbersome depreciation schedules
- Bypasses capital approval process
- Decentralizes decision-making
- Ensures pass-through of income tax benefits
- Drives periodic equipment evaluation
- Makes high technology affordable
- Deducts payments over shorter period than depreciation
- Helps avoid stranded assets
- Enables upgrade without refinancing
- Eliminates disposal or salvage hassles
- Provides equipment for short term
- Facilitates planned replacement of assets
- Offers on-the-spot financing
- Hedges against technology obsolescence
- Standardizes technology platforms

How Can Leasing Improve Your Business?

- Capital is retained, which can be utilized elsewhere in your business.
- Conservation of credit: A lease is NOT a loan. Borrowing reduces available credit, whereas leasing is a new source of credit that will allow you to keep bank lines of credit open for other future needs.
- Acquisitions not contemplated by a budget can be accomplished through leasing. To acquire computers through a lease, which is an operational expense rather than a capital outlay, is generally much easier to manage from a cash flow perspective.
- Balance sheet effect: If computers are purchased and money borrowed, liabilities are increased. Generally, the asset-to-liability ratio will be impaired and liquidity may be reduced when you buy rather than lease.
- Obsolescence is eliminated: If you do not own a computer, you won't keep it beyond its useful life. If bought, the depreciable life may be longer and you may use it past the point where better, more efficient computers would benefit your business.
- Tax benefits: True lease payments are generally 100 percent tax deductible as an operational expense. If you borrow funds to acquire the equipment, only the interest and the depreciation allowed each year by the IRS can be deducted. Consult your tax counsel for specific recommendations.
- Normally, 100 percent financing is available and lease terms can be structured beyond normally available loan terms.