



Leasing



Why Leasing Makes Sense

Dale Carnegie said, “Buy what appreciates, lease what depreciates.” With the relatively short useful life span of IT assets, leasing can provide significant advantages over other acquisition strategies. Benefits include:

Preservation of Capital

Companies need to fund receivables, inventory, payroll and equipment. Some businesses may not have access to bank loans or supplemental sources of capital. Often, especially in a down economy, a shortage of capital can develop. Leasing can help prevent this by reducing the capital required for your equipment.

Low Upfront Costs

Funding your equipment acquisitions with a conventional bank loan usually requires a 10- to 20-percent down payment and often includes restrictive covenants. Leasing normally requires only one or two monthly payments in advance, which are applied to future payments.

Overcome Budget Constraints

Most companies operate under budgetary constraints — the result of a formal planning process or the availability of funds. With formal planning, you can use leasing to bypass your capital budget, as payments are usually accounted for as expenses. If your budget is based on capital resources available and you can't fund the full purchase price, a payment option is often the answer.

Keep on Top of New Technology

Leasing helps keep technology up to date by facilitating periodic replacement of technology assets and permitting replacement, even if capital resources are not available.

Solves Disposition Issues

When you reach the end of your lease, you can return the equipment, avoiding the hassles, costs and liabilities involved in disposing of technology equipment.

100-Percent Financing

In most cases, your lease covers all expenses: the full cost of the equipment, service, shipping, installation costs and maintenance.

Potential Tax Savings

Owned assets are normally capitalized. Therefore, depreciation and interest expense are written off for tax purposes. Monthly lease payments are typically viewed as operating expenses. This usually offers significant tax benefits. (You should always consult with a financial advisor to determine the proper tax strategy.)

If leasing sounds like the right choice for your company, Exceptional Technology Solutions, LLC can offer you access to competitive lease rates on hardware, software, maintenance and professional services products. Contact Exceptional Technology Solutions, LLC at 903 509 0008 or leasing@etstexas.com or log onto www.etstexas.com.

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