

Benefits of Leasing

Did you know 7 out of 10 companies lease business equipment? Plus, the number one reason companies lease is to enhance cash flow. Experience all the benefits:

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- **100% Financing.** With leasing, there are very little upfront costs. One to two month's payments may be due at the start of the lease contract. And, you can cover soft costs such as installation and shipping. Conversely, a typical bank loan does not cover soft costs and may require as much as 10 - 20% down.
- **Tax and accounting benefits.** Group Financial offers both lease and financing options. Therefore, we have a diverse range of products available that will help you achieve your tax goals for a particular purchase. Utilizing a GFS \$1.00 Buyout Lease or a capitalized 10% lease are attractive to business owners who want the tax benefits of ownership - use of IRS Section 179 (\$250,000 in 2008), accelerated depreciation. More traditional leases should lower taxable income by deducting the lease payments. Consult a tax advisor on the specific impact.
- **Balance sheet management.** Certain lease and finance arrangements may be considered off balance sheet financing.
- **Flexibility.** Unlike bank loans, you can structure payments to meet your cash flow including deferred payments. If you need to terminate the lease contract, a buyout can be figured.
- **Upgrade technology.** If your industry demands that you have the latest technology, leasing can lower obsolescence risk because you can upgrade or add equipment to meet your ever-changing needs. And, it's simple with a Master Agreement!
- **Speed.** Respond quickly to new opportunities with minimal red tape – less than a bank loan. Your application can be approved promptly and you can have your equipment quickly.
- **Improved cash flow and forecasting.** Lease and finance payments are historically lower than bank loan payments, conserving cash for other uses. With leasing and financing, you know the amount and number of payments over the life of the term, so you can accurately forecast cash requirements.
- **Conserve credit lines.** A bank loan immediately reduces your credit line. agreement doesn't

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