

FINANCING COMPARISON



To Lease or Not to Lease...

Leasing	Bank Loan	Cash Purchase
A non-cancelable contract extending over a fixed term	Repaid in regular installments	Using working capital for acquisitions
<p>ADVANTAGES</p> <ul style="list-style-type: none"> * Expense entire payments * Easy Add-On/ Trade Up * 100% Financing * Conserves Capital * Can Lessen Tax Liability * Flexible Terms * Hedge Against Inflation * Obsolescence Protection * Fixed Terms & Payments * Full Use Without Ownership * Creates New Credit Source 	<p>ADVANTAGES</p> <ul style="list-style-type: none"> * Direct Ownership * Depreciation * Appropriate When Bank Lines Remain Untapped Or There Is A Loan Covenant Requirement 	<p>ADVANTAGES</p> <ul style="list-style-type: none"> * No Finance Charges * Direct Ownership * Depreciation * Appropriate When Lacking Investment Alternatives For Excess Cash, Or Annual Depreciation Expense Exceeds Annual Capital Expenditures
<p>DISADVANTAGES</p> <ul style="list-style-type: none"> *Non-cancelable 	<p>DISADVANTAGES</p> <ul style="list-style-type: none"> *Capitalizes Equipment * Relatively Short Term *Extensive Documentation * Covenant Restrictions * Exhausts Credit Line * Non-Financeable Charges * No Obsolescence Protection * May Require: Compensating Balances, Down Payment, Origination Fee *Non-cancelable 	<p>DISADVANTAGES</p> <ul style="list-style-type: none"> * Attacks Cash Reserve * Negates Time Value of Money * No Hedge Against Inflation * No Obsolescence Protection

Given all the potential benefits of the equipment leasing advantage, it makes business sense for small business owners.



Smart Finance Options
EQUIPMENT LEASING AND LINES OF CREDIT