



## **Synterprise Equipment & Software Leasing Advantages**

*Innovative Solutions for Operational Excellence*

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### **The Benefits of Leasing:**

More than 80% of all businesses lease some or all of their equipment. They recognize that the benefit to them is the use of the equipment, not its ownership.

#### **Lower Cost Alternative**

Comparing common acquisition methods - cash, traditional credit lines and leasing - and adjusting each alternative for the effects of taxes and the potential return on investment of saved capital dollars, leasing can be the least expensive acquisition alternative. Your tax advisor can provide specific recommendations.

#### **Tax and Financial Reporting Advantages**

Lease rental payments for an operating lease are fully deductible for income tax purposes. Also, leasing may reduce tax record-keeping associated with capitalization and depreciation. Leases classified as operating leases for financial reporting purposes are not reflected on the balance sheet and may improve important financial ratios.

#### **Managing Obsolescence Risk**

The rapid pace of technological change presents a constant challenge for business. Leasing transfers the risk of ownership to the leasing company, which is in a better position to manage those risks. Leasing also assists in maintaining a disciplined approach to technology, while maintaining flexibility.

#### **Conservation of Capital**

Eliminating the up-front capital outlay is a primary reason companies lease. Since cash is not tied up in equipment ownership, it can be available for company growth. Additionally, existing bank credit lines can be better utilized for more appropriate corporate purposes.

#### **Simplicity**

An equipment lease is generally easier to obtain and document and is less restrictive than most bank loan agreements. Additionally, the tax and financial accounting of a lease can be easier and more straight forward than a loan.

These are just some of the benefits of leasing. Consult with our Synterprise leasing representative to learn more about the specific benefits that leasing can add to your organization.