APPLIED ERGONOMICS

INTERIORS SOLUTIONS ALIGNED WITH YOUR VALUES

Why you should consider leasing your furniture instead of taking a bank loan or paying with cash.

WHY YOU SHOULD CONSIDER LEASING YOUR FURNITURE INSTEAD OF TAKING A BANK LOAN OR PAYING WITH CASH.

CONSERVE WORKING CAPITAL

Purchasing equipment can require large cash outlay. Many companies lease to conserve capital. Money is better spent for other day to day needs to keep the business successful.

TAX BENEFITS

Section 179 of the IRS code allows significant tax savings. Often, a monthly lease payment can be deducted as an operating expense since it is treated as a rental rather than a loan.

ACCELERATED DEPRECIATION SCHEDULE

You may be able to depreciate the product over the lease term.

FIXED PAYMENTS

Many financing transactions have floating interest rates. Lease financing offers fixed payments, enabling you to budget and manage your dollars for a long time.

- ### Fees

  Banks can charge you a fee on your line of credit, even if you never use it. Leasing companies charge only for what you use.

- ### Down Payments

  Banks require that you put some cash down, in some cases as much as 20% to 30%. This can eat away at your working capital. Leasing companies don't.

- ### Flexibility

  Banks are not as flexible as leasing companies. Equipment leasing companies can create an individualized lease arrangement for you such as no payments for 90 days to give you time to get your new equipment up and running. Banks can't.

- ### Diversified Funding

  If you borrow too much from a bank, this can limit your ability to get future loans and you have fewer options during crises. Leasing allows you to expand and diversify your funding sources.

- 100% Financing

  Banks won't give you 100% financing. Leasing companies will. In fact, when you lease from a reputable leasing company, you can get 100% financing for not only the cost of the equipment, but for architectural and design fees, installation and even training or consultation.

LEASE STRUCTURES

Leasing companies offer a variety of options that banks can't match. These include:

- Lease Purchase ($1 Buy-Out) - allow you to buy the equipment at the end of the lease term for a nominal amount of $1.
- Operating Lease (Fair Market Value Buy-Out) - provides you with the option to purchase the equipment at the end of the lease for its then Fair Market Value, continue leasing the equipment based on its Fair Market Value, or return the equipment.
- Venture Leases - a perfect solution for start-up companies with venture capital backing.
- Deferred Payment - ideal for companies in which the equipment will be used for a project that won't generate revenue for a short period of time, so that the initial months have nominal or no payments.
- Seasonal Payment - designed for those businesses with seasonal cash flows so payments might be higher when business is good for example in the summer months and lower during the rest of the year.
- Step-up / Step-down payments structured to match a company's cash flow needs. Payments can start low and then increase during the later years of the lease, or payments can start high and then decrease, minimizing finance charges.
- Municipal Lease - available to all city and state agencies such as public school districts, municipal hospitals, police and fire departments. Due to the tax-exempt status of the Lessee, rates are much lower than standard commercial rates.

Call or email the author, Jeff Meltzer, founder and President of Applied Ergonomics, for a free consultation TODAY to help ensure that YOUR project is a success.

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