



# LEASING FREQUENTLY ASKED QUESTIONS

For businesses large & small, equipment leasing is fast becoming the preferred method of financing. Nearly 80% of all U.S. companies lease some or all of their equipment. Why? Because the flexibility of a lease purchase plan allows them to have the most effective operation possible, from both a financial & operational standpoint. Below are some answers to commonly asked questions about leasing...

## What are typical lease terms?

Lease terms typically range from 12-60 months. The most common lease terms are 36 to 60 months (three to five years).

## Can I lease to own?

Yes. About 95% of Geneva Capital's clients select a "lease-to-own" plan.

## Are there tax advantages to leasing?

Yes. In fact, one of the most appealing reasons businesses lease new equipment is because the IRS does not consider an operating lease to be a purchase; rather it is a tax-deductible overhead expense. Therefore, you can deduct the lease payments from your business income.

You could also take advantage of Section 179, a special tax deduction allowing you to recover all or part of the cost of a piece of equipment in the year the equipment is put into service. This is a way to rapidly write-off the equipment versus taking depreciation deductions over the life of the asset.

## Does leasing require a significant down payment?

No. Generally speaking, leasing requires little to no down payment. While the first and last month's payments may be required, leasing is almost identical to 100% financing.

## How does leasing affect my cashflow?

You'll find leasing has a positive impact on your cashflow because you're not paying for the equipment in one lump sum. By tailoring a custom lease, business owners can conserve cash...allowing them to focus on growing their businesses. Leasing also allows for you to forecast cash requirements more accurately as you know the amount and number of lease payments you will owe over the lease period.

## Can I lease more equipment while I have an existing lease?

Yes. Leasing opens the door for faster response to new business opportunities. Many leasing companies can approve an application for new equipment in a matter of a few days. This allows for you and/or your company to react quickly to a new opportunity before your competitors can.

## How does leasing look to other lenders?

Leasing can actually help you to look more attractive to traditional lenders when you need them. Operating leases are not considered long-term debt or liability on your balance sheet, making you look more stable to lenders. Leases also do not report to credit bureaus.

## Is leasing flexible?

Absolutely. Lessors offer other flexible terms, allowing you to customize your lease to a program which fits your needs and requirements - cash flow, budget, transaction structure, cyclical fluctuations, etc.

INTEGRITY | INNOVATION | EXCELLENCE | SERVICE

 **Get started today!**

There is absolutely no cost or obligation to fill out an application. Simply fill out the form on reverse & submit it via fax at (320) 762-8402 or complete the online form at:

[www.gogc.com](http://www.gogc.com)



**Geneva Capital** LLC  
Your equipment finance *solution.*