

MAKE THE BEST USE OF YOUR FUNDS!

Use leasing to acquire assets that depreciate, especially when the advantages of using the asset outweigh the low monthly cost. This will **free your cash** to use on advertising, personnel, inventory, and other needs. It also keeps your cash and bank lines available for unseen opportunities that may arise.

LEASE

A non-cancelable contract extending over a fixed period of time.

ADVANTAGES

- \$1.00 and 10% leases provide benefits of ownership
- FMV leases may provide tax advantages
- 100% financing
- Preserves bank lines and conserves capital
- Fixed terms & payments
- Flexible terms
- Easy add-on/trade-up
- Full use without ownership
- Creates new credit source
- Lets you pay for the equipment as you use it

DISADVANTAGES

- Non-cancelable agreement

BANK LOAN

A non-cancelable contract re-paid in regular installments.

ADVANTAGES

- Benefits of ownership
- May provide tax advantages

DISADVANTAGES

- Relatively short term
- Extensive paperwork
- Covenant restrictions
- Ties up credit lines
- No obsolescence protection
- May require compensating balances, down payment, and origination fee
- Likely to be on a variable interest rate

CASH PURCHASE

Use of working capital for acquisitions.

ADVANTAGES

- Benefits of ownership
- May provide tax advantages
- No financing charge

DISADVANTAGES

- Depletes cash reserves
- No obsolescence protection
- Creates price shoppers

FOR SERVICES AND SUPPORT CONTACT:

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