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## Why Should I Lease the Software I Need?

Your company needs software. When analyzing the choices of software on the market today, you will find many options. Software leasing is increasingly being accepted as the method of choice for companies of all sizes to pay for expensive software solutions within their operating budgets.

So, whether you need software to keep your books, software to manage your customer base, or anything in between, we can help!

## Maximize The Use...Minimize The Investment

Software is nothing less than a tool that you invest in to make money. Operating profits come from the use of the software, not the ownership of the software. Leasing Unlimited Group's software leasing program helps companies spread the lump-sum cost of obtaining new software technologies over several years, allowing companies to immediately acquire the solutions they need. Software leasing also helps to match the costs to the benefits derived from a software solution over a specified period of time. Leasing allows you to acquire the equipment you need today; your lease payments are made from revenue generated or expenses saved by the leased software.

## What are the Benefits to Leasing?

- \*\* Conserve cash and keep credit line open
- \*\* Spread acquisition cost over time
- \*\* Fixed monthly payments for the life of the lease
- \*\* Improve cash flow and preserve working capital
- \*\* Expense the software rather than capitalizing and depreciating over a longer period
- \*\* Leasing payments can be fully tax-deductible
- \*\* 100% financing with no down payment or front-end fees
- \*\* Flexible payments
- \*\* Better budgeting controls
- \*\* No commitment fees
- \*\* No compensating balances or additional charges

## What about "Soft Costs"?

Soft costs are such things as shipping, installation, training, consulting, etc. Your bank is very unlikely to finance these items, which means you will have to pay for soft costs out of your working capital. Thus, reducing your cash balance used to pay for essential business expenses - payroll, taxes, fixed operating costs, etc.

Leasing with Leasing Unlimited Group is a complete solution - 100% financing and we will cover all soft costs.



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### Can I Save Taxes by Leasing My Software?

The answer to this question is a resounding "Yes!" But, there are some things you should know:

In order for a lease payment to be tax-deductible, the lessee cannot have a "bargain purchase option" such as a \$1.00 buyout. If they have a 10% Purchase Option or NO stated purchase option (FMV), then it may be an operating expense and 100% tax-deductible.

But, here is the problem: Generally speaking, leasing companies assume that there is no residual value in certain assets such as software; therefore common sense dictates that we write leases with a \$1.00 buy out on these kinds of assets.

Leasing Unlimited Group can help. We will write a lease using \$1.00 buy out pricing, but with NO stated residual value or purchase option. By doing so, you can expense your lease payment as an "operating expense". When the lease term is over, Leasing Unlimited Group will not pursue the lessee for any further lease payments.

### How Much Can I Actually Save?

Equipment Cost:	\$25,000.00	(First and Last Payment in Advance)
Term:	60 Months	
Payment:	\$562.75	
Tax Bracket:	<u>x 35%</u>	
(Tax Savings)	\$196.96	
Regular Payment	\$562.75	
Less: Savings	<u>(196.96)</u>	
After Tax Payment	\$365.79	x 60 Months = <u>\$21,947.40 !!</u>

### Is Leasing Right For Me?

Most of the time, companies find that leasing their software solutions work for them. If you are unsure if leasing is the best tool for your software acquisition, call us. We will provide you with a no-cost, no obligation "lease vs. buy" analysis that you can use to decide.

If you decide that leasing will help you acquire the software that your company needs, we will set up a lease that will meet your needs - and makes sense for your company. Is your business seasonal? You might benefit from seasonal payments. We can also set up a deferred payment program, which will allow you to make your first payment 60 or 90 days after your lease commences.

Thank you for allowing Leasing Unlimited Group the opportunity to handle your software acquisition needs! Call us today toll-free at (866)295-6471.