



Quick Lease Calculator Worksheet

The Quick Lease Calculator is designed for quick calculations of lease terms and payments. While budgetary in nature, it does allow you to begin the process of calculating cash flow and return on investment, key factors in any capital equipment purchase.

We will prepare a formal lease proposal for you when all details of your requirements become available.

HOW TO CALCULATE AN EQUIPMENT LEASE

There are four basic factors that must be determined to calculate an equipment lease.

- Price of the equipment/system to be leased
- Term (time) of the lease
- Type of lease (Operating Lease - 10% Purchase Option - \$1.00 Purchase Option-Trac Lease, etc)
- Lease structure (Equal Payments - Skip Payments - Variable Payments - Delayed Payments - Conversion Plans)

For the purpose of quick calculation, this format is designed only for leases structured with equal payments. However, we can provide formal proposals with leases structured to your business environment.

LEASING FACTORS

(1) Price

The total price of the capital equipment and all optional capital items that you intend to purchase. You may include items such as freight and tax if you wish.

(2) Term

The length of time over which the lease will be in effect. This can range from 12 to 60 months.

(3) Type of Lease

How the lease will be written with regard to disposal of the equipment at the end of the lease term.

- **Operating Lease** is for use of the equipment during the specified term. At the end of the lease, the equipment is returned to the leasing company or may be purchased for fair market value. Qualified operating leases are generally fully deductible as an operating expense.
- **10% Purchase Option.** Equipment is leased for the specified term with the option to buy the equipment at the end of the lease for 10% of the original price.
- **\$1.00 purchase Option.** Same as with the 10% option outlined above only the option to buy at the end of the lease is \$1.00 regardless of the original price.

(4) Lease Structure

- ❖ Equal monthly payments spread over the term of the lease.
- ❖ Skip monthly payments based on individual seasonal or business requirements.
- ❖ Variable monthly payments based on quarterly cash flows.
- ❖ Payments delayed for up to 120 days after equipment is installed.
- ❖ Conversion program which allows the lease to be converted to a cash purchase within 24 months.

EQUIPMENT TO BE LEASED

Item _____ Cost _____

Transaction Size	Term (in months)				Lease Type
	24	36	48	60	
\$5000-9999	.05249	.03984	.03032	.02649	Operating Lease
	.05389	.04263	.03560	.02990	10% Purchase Option
	.05535	.04482	.03885	.03190	\$1.00 Purchase Option
\$10,000-24,999	.05083	.03821	.02987	.02558	Operating Lease
	.05249	.04168	.03505	.02855	10% Purchase Option
	.05457	.04360	.03691	.03044	\$1.00 Purchase Option
\$25,000-49,999	.04888	.03571	.02655	.02381	Operating Lease
	.05112	.03981	.03282	.02665	10% Purchase Option
	.05306	.04163	.03518	.02276	\$1.00 Purchase Option
\$50,000-99,999	.04781	.03267	.02485	.02192	Operating lease
	.04844	.03686	.03042	.02488	10% Purchase Option
	.05147	.03927	.03252	.02106	\$1.00 Purchase Option

Example only.

Rates are subject to prevailing rates at time of lease signing.

Your credit history may affect final lease rate and payments.

$$\begin{array}{c}
 \$ \boxed{} \times \boxed{} = \$ \boxed{} \\
 \text{Total Equipment Price} \quad \text{Lease Factor} \quad \text{Monthly Lease Payment}
 \end{array}$$

Want more information? Call:

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