

## ELFA'S PRINCIPLES OF EQUIPMENT LEASING AND FINANCE AND TIME VALUE OF MONEY WORKSHOPS

Hosting a workshop at your own facility gives you the flexibility and convenience to address specific learning needs of your employees, establish collective knowledge, a shared skill set, and achieve even your most challenging business goals. Our instructor comes to you and works with you to customize the content to your group's needs.

### PRINCIPLES OF EQUIPMENT LEASING AND FINANCE WORKSHOP – 2 days

This workshop is designed to teach the fundamentals of personal property commercial equipment leasing and finance for entry level personnel and/or individuals with business experience who have not had a complete overview of the leasing and finance business. Subjects address the “why” as much as the “how”, to provide the participant with a strong foundation on how the leasing and finance business works and where their individual responsibilities fit into the workflow.

### **Agenda**

#### **Industry Overview and Forecast**

Get the latest data and information about the industry, pulled directly from ELFA's *What's Hot, What's Not: Equipment Market Forecast* and the Foundation's *U.S. Economic Outlook*. **BONUS! Attendees receive copies of each report.**

#### **Benefits of Leasing**

Why is leasing attractive to many companies? What are the tax, legal, and accounting benefits? How does leasing differ from lending, and how does each method of financing handle different needs and requirements of the customer? If you're looking for language to explain to your customer why leasing is the best option - this is for you!

#### **Transaction Lifecycle**

Learn about every step in the transaction lifecycle - from administration through termination - and why each (including knowing where you fit in!) is crucial to the success of your organization. You'll review the people, policies, paperwork and processes for each step in the lifecycle.

#### **Industry Terminology**

Learn the language of equipment finance. Additional terms and their importance will be explained throughout the workshop.

## **Rules and Regulations**

This section is a basic overview of the current Federal Income Tax code, the current bank regulations and requirements, and the definition of a lease for legal contracts. You will gain an understanding of why the rules developed as they did and learn the paper flow and procedures required to complete a lease.

## **Time Value of Money**

The Time Value of Money (TVM) is a key principle in equipment finance. It is the idea that money received in the present is more valuable than the same sum in the future because of its potential to be invested and earn interest. In this section, you will learn the basics of Present Value (PV), Future Value (FV) and how to calculate each.

## **Types of Lease and Finance Transactions**

This section highlights loans and leases and their purposes, their structures, pricing, end-of-term options, and how each type does or does not comply with different legal, tax and accounting rules. Learn how pricing reflects the structure and how it can be modified to fit a specific need of the lessee/borrower and the lessor/lender. **NOTE It is recommended that all attendees use the same financial calculator (e.g., Hewlett-Packard 12c or 17b II).**

## **Lease Accounting**

In this section, you will learn how current accounting requirements affect the structure of a lease, and the difference between accounting and income/expense for commercial income tax returns. Your instructor will discuss the changes to lease accounting rules, the impact upon the balance sheet and operations of lessors and lessees and equipment procurement strategies.

## **Types of Lease and Finance Programs**

Examine sample lease structures to learn how specific arrangements for vendors or equipment types can help determine the parameters of a transaction. Unique programs that fit a specific need of the lessee (e.g., seasonality of revenue stream or expense control), will also be presented.

## **General Legal Overview – Structure, Terminology, Laws and Documentation**

Examine the different types of legal entities - from proprietorships to corporations, along with the required legal forms needed to complete a lease or equipment financing for each. Using a sample lease transaction, you will review the required documents, including the purpose of each. The internal forms for managing the workflow will also be discussed. By examining the contents of the lease agreement, you will understand the necessity for particular documents from both the lessor and lessee perspective.

## **Fraud Prevention and Detection**

Learn how to recognize the many faces of fraud and how to prevent fraudulent transactions.

### **Principles of Equipment Leasing and Finance Workshop Pricing**

The fee for this workshop includes instructor fees and related travel expenses, workshop material development, reproduction, and shipment. Client is responsible for any additional expenses associated with workshop delivery: e.g., audiovisual equipment, room rental and food and beverage charges, if any.

\$9000 for the first 10 attendees

\$175 each additional attendee

## TIME VALUE OF MONEY WORKSHOP – 1 day

The Time Value of Money (TVM) is a key principle in equipment finance. It is the idea that money received in the present is more valuable than the same sum in the future because of its potential to be invested and earn interest. The Time Value of Money shapes our products, our profit and our ability to understand the dynamics of the dollar.

This one-day workshop will prepare attendees to calculate and structure transactions through real-world scenarios and hands-on experience using a financial calculator. Topics include (but are not limited to):



- What is present value and how is it calculated?
- How to generate a Lease Rate Factor?
- How to calculate monthly payment?
- How to calculate an implicit rate?
- How to calculate running rate?
- How to calculate Early Buy Out?
- What impact does a residual have on your rate of return?

Attendees will use either the 17BII Pro or the HP 12C. If your company has a proprietary pricing model that can be used on either calculator, the workshop can be customized to meet your requirements.

Recommended class size is 10 attendees, allowing valuable one-on-one interaction with the instructor.

### **Time Value of Money Workshop Pricing**

The fee for this workshop includes instructor fees and related travel expenses, workshop material development, reproduction, and shipment. Client is responsible for any additional expenses associated with workshop delivery: e.g., audiovisual equipment, room rental and food and beverage charges, if any.

\$5000 for the first 10 attendees

\$100 each additional attendee

**For additional information or questions, please contact:**

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