

# Other leasing and rental contracts

Go to "Menu", "Contracts", and "New contract"

## **Contract templates:**

Other leasing and rental contracts

Enter a description\* (mandatory field)

The description will be shown in the overview view of all contracts. Write a short and clear description so that you can easily understand what the contract concerns.

## **Equipment**

Here you can be as detailed as you wish to be. If you have a long product list, it is also convenient to write "see attachment" or similar and attach the associated file.

## **Contract number\* (mandatory field)**

Enter the contract number for each contract, the number must be unique. Which means that several contracts cannot have the same number. If the contract number does not appear in the contract, you can also write a text about what the contract concerns. When several different contracts have the same contract number, a number, for example, -1, -2, -3, can be added after the actual contract number.

## **Finance company/contracting party**

Enter the bank or finance company that rents the equipment to you during the contract period.

## **Supplier of object\* (mandatory field)**

## **Contract type\* (mandatory field)**

Select contract type "Financial leasing"

## **Object type\* (mandatory field)**

Select type of object for the contract. You add the object type under your accounting settings.

## **Amount and contract period**

The price is the amount that is financed and is filled in excluding VAT, it is the amount of what the equipment cost.

### **Cash stake**

If the banks and financial companies require an extra security in the deal in the form of a cash deposit, it can also be referred to as first increased, down payment and special leasing fee in the agreement, you fill in this. Most often, any cash contribution is shown where the monthly cost is stated, but sometimes it is stated under "special conditions" in the contract.

### **Rental fee**

Enter what you pay per month. Even if it is e.g. quarterly payment, the amount per month must be stated. Most often, it is the monthly cost that appears on the agreements, despite the quarterly payment periodicity.

Screenshot

### **Payment periodicity**

Here you indicate whether you pay the rental fee, e.g. monthly in advance or quarterly in advance. This is stated in the agreement.

### **Specify whether the fee should be updated according to the index or reference rate**

Here you set whether the leasing fee should be adjusted according to the reference rate or index. The absolute most common is that you do not adjust the fee at all, but choose "No adjustment" (Fixed fee).

### **Residual value**

There is an agreed residual value in the contract. At the end of the rental period, the customer is obliged to appoint a buyer for the equipment or redeem the equipment himself. The residual value is usually shown on the agreement, where you can find the price, monthly cost, etc. or under "special conditions".

### **Start date\* (mandatory field)**

In almost all cases, it is the delivery approval that governs when a contract starts. To know when an agreement started, we need to know when the delivery approval is signed and have access to the general terms and conditions for each agreement.

The start date is actually a bit trickier than you might think to get, as different banks and finance companies do it in different ways.

Some start the agreement next month. If the delivery approval is signed, e.g. 2021-06-15, the agreement starts on 07-01-2021.

Some start the contract the following month if the delivery approval is signed between the 1st and the 14th month before. If the delivery approval is signed between the 15th and the last of the month, the contract does not start the following month, but the month after that.

Some companies have quarterly startups, which means that if you sign a delivery approval, e.g. 2021-04-01, the agreement does not start until 2021-07-01 (next quarter).

There are many different variants. Sometimes it is easiest to ask the bank or finance company.

### **Delivery date**

Enter the date indicated on the delivery confirmation. If you don't have it, you can enter the same date as the start date.

### **Termination period on the contract\* (mandatory field)**

It is usually stated under the general terms and conditions how long the notice period is on the contract. Through Leasify, you automatically receive an email two months before it is time to

terminate the contract so that you do not miss the notice period.

### **Contract duration\* (mandatory field)**

Enter the contract length in months and the contract length specified in the contract.

### **Depreciation period**

Here you enter the depreciation period, the most common is that the depreciation period is the same as the contract length and click in the box if you wish the depreciation to be limited to the residual value amount.

### **Should this contract be calculated in your accounting**

If the contract is to be included in the report, this box must remain checked. If you do not want the contract to be included in the report, deselect the checkbox.

### **The value of the asset**

If you report according to IFRS, it is most common to use the discounted price as asset value. If you report according to K3, it is most common to use the lower of the discounted price and the actual price in the contract as asset value. However, it is entirely up to you how you want to do it, check the box that suits your account.

### **Accounting documents**

If you have filled in all the parameters in a financial leasing agreement, the system can calculate the implicit (actual) interest rate in the contract.

If you want to use the implicit interest rate, do not click in the box "Do you want to use interest according to your settings". If you instead want to use a marginal loan rate, click in that box. If you click on it, a drop-down list will appear where you can choose which interest rate you want to use.

### **Currency**

Choose the local currency that the agreement is in. You set which exchange rate you want to use under accounting settings.

### **Corporation tax**

Enter the tax rate you want the agreement to be calculated according to. You set different tax rates under accounting settings.

### **Cost center and department**

Set which cost center and which department the contract belongs to. If it belongs to only one cost center and one department, enter them and enter 100 percent on the right. If the contract belongs to different cost centers and departments, you can divide the contract by clicking on "Add cost center" and distribution in percentage.

### **Other - non-mandatory information**

#### **Administration fee**

Affects the effective interest rate in the agreement. Usually appears on the first page of the agreement or under the general terms and conditions.

#### **Setup fee**

You fill in whether the agreement has a set-up fee, which also affects and is added to the effective interest rate.

### **Non-deductible VAT**

You click in the box if you wish to add deductible VAT to the asset calculation.

### **Discount**

Fill in if you have received a discount during the contract period. Enter from which date you received a discount, to which date you received a discount and how much of a discount you received per month.

For example, if you received a discount of SEK 1,500 over a period of three months, enter SEK 500 under "discount per month".

If you want to add more discounts, click on "Add".

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