

Asset Finance Checklist

For buying a vehicle, equipment or machinery through your business

1. Before you finance

- ☐ Define exactly what you are buying and the income or capacity it will add.
- ☐ Work out the business-use percentage if it will also be used privately.
- ☐ Get 2 to 3 quotes and compare the total cost, not just the monthly repayment.
- ☐ Check the comparison rate AND the fees (establishment, monthly, early payout).
- ☐ Understand the balloon or residual and have a plan to pay or refinance it.
- ☐ Match repayments to your cash flow, ask about seasonal or structured repayments.
- ☐ Check instant asset write-off and depreciation eligibility with your accountant.

2. Choosing a finance or commercial broker

- ☐ Do they hold an Australian Credit Licence or act as a credit representative?
- ☐ Do they use a panel of lenders, not a single bank?
- ☐ Have they disclosed their commission and all fees in writing?
- ☐ Do they know your industry (trades, agriculture, health, professional services)?
- ☐ Are there any undisclosed upfront fees? (There should not be.)
- ☐ Are they accredited with the MFAA or FBAA?

3. Documents to give your bookkeeper and BAS agent

- ☐ The finance contract and the repayment (amortisation) schedule.
- ☐ The tax invoice for the asset (for the GST credit and asset value).
- ☐ The settlement statement (deposit, trade-in, fees).
- ☐ The business-use percentage if used privately.

4. After you sign

- ☐ Send every document to your bookkeeper, do not file and forget.
- ☐ Confirm GST treatment (chattel mortgage: usually claimed upfront on the BAS).
- ☐ Set up the asset and the loan liability correctly in Xero.
- ☐ Split each repayment between principal and interest.
- ☐ Set up depreciation with your accountant.