

Funding Options

The easy way to finance your fleet

Whether you finance your vehicles via an operating lease, finance lease, term purchase or chattel mortgage, or offer your employees the option to take out a novated lease, Toyota Fleet Management (TFM) is your complete asset management partner.

How does it work?

You have the flexibility to choose from our complete range of funding options designed to suit your unique business needs. What's more, TFM's fleet management services are available with all funding options and include services like:

Reporting & Analytics

- Full suite of real-time online reporting
- Fleet policy & performance analysis
- FBT reporting & analysis
- CO₂ reporting and analysis

Risk Management

- Comprehensive Insurance
- Infringement Management
- Accident & Claims Management
- Roadside Assist

Vehicle Management

- Repair & Maintenance control services
- Tyre management
- Fuel Management, cards and reporting
- Registration and CTP renewals
- Linkt* management & reporting
- Mini lease (short-term rental)
- Relief Vehicles
- Forcefield Telematics

For more information on our fleet management services, please refer to our Fleet Management Services Guide.

*Linkt is a registered trade mark of Transurban Limited ABN 96 098 143 410

Like to find out more?

For more information on TFM's funding options, contact your TFM Relationship Manager or visit toyotafleetmanagement.com.au to make a fleet enquiry.

Features and benefits

In the table below, you'll find a snapshot of services available. Whatever your business needs, there's sure to be a product, or combination of products, to suit your asset finance requirements.

		TYPE OF FUNDING OPTION						
		Operating Lease	Finance Lease	Term Purchase	Chattel Mortgage	Novated Finance Lease ¹	Novated Operating Lease ¹	Buy/Own
FEATURES	On/Off balance sheet	On	On	On	On	Off	Off	On
	Economic asset risk of profit/loss on contract end	TFM	Customer ¹	Customer	Customer	Employee ²	TFM	Customer
	Legal Ownership	TFM	TFM – Offer may be made to purchase	TFM – Until final instalment is paid	Customer	TFM – Offer may be made to purchase	TFM	Customer
	Non luxury vehicle rent payments are income tax deductible	Yes	Yes	No	N/A	Yes	Yes	N/A
	Input Tax Credits (ITC) claimable on vehicle purchase	TFM (reduces amount financed; restricted ITC on luxury vehicle)	TFM (reduces amount financed; restricted ITC on luxury vehicle)	Customer; upfront (also upfront on interest) – but restricted ITC on luxury vehicle	Customer; upfront – but restricted ITC on luxury vehicle	TFM (reduces amount financed; restricted ITC on luxury vehicle)	TFM (reduces amount financed; restricted ITC on luxury vehicle)	Customer; upfront – restricted ITC on luxury vehicle
	ITC claimable on rental	Yes	Yes	N/A	N/A	Yes	Yes	N/A
	Accounting rental expense in P&L statement	No	No	No	N/A	Yes ⁴	Yes ⁴	N/A
	Accounting depreciation and interest costs in P&L statement	Yes	Yes	Yes	Yes	No	No	Depreciation only
	Non luxury vehicle depreciation and interest are tax deductible	No	No	Yes	Yes	No	No	Depreciation only
	Contractual Residual Value (RV) or balloon payment requirement	No	Customer (subject to ATO min. RV rules)	Optional	Optional	Employee (subject to ATO min. RV rules)	No	N/A
End of contract choices ⁵	Return/ extend	Make offer to buy/ return ² / extend	Pay or refinance balloon (if any)	N/A	Pay RV/ return ² / extend	Return/ extend	N/A	

¹Operating Lease and the Novated Operating Lease products are both subject to the fair wear and tear guidelines.

²If vehicle on finance lease is returned at end of the contract, economic asset risk still remains with customer (finance lease) or employee (novated finance lease) given that the party carries residual value indemnity obligation.

³Leases over luxury vehicles are deemed sale and loan arrangements for income tax purposes, with business customers taking deductions for tax depreciation (subject to an opening cost cap), interest in the finance contract over the life of the finance contract, and balancing charge (tax profit or loss on disposal) at the end of the lease calculated in a certain manner. A business customer with a term purchase or chattel mortgage over a luxury vehicle takes tax deductions for tax depreciation (subject to an opening cost cap), interest in the finance contract over the life of the finance contract, and when the customer ceases to hold the asset (which may well be after the finance contract has been completed), has a tax profit and loss on disposal calculated in a certain manner.

⁴In novated leases, the usual approach of employers is to economically recoup the full costs of the novated lease to them (including any FBT costs) through employee pre-tax sacrifice and potentially also employee post-tax contribution. Thus the expense of the novated lease is offset with reductions to the salary expense and post-tax employee contribution revenue.

⁵Refinance option is available to approved applicants only.

General Disclaimer: The table is only a 'snapshot' and does not cover all specific circumstances of individual customers and is not intended as a comprehensive analysis. Customers should take their own independent accounting and taxation advice, before entering into arrangements. We have assumed the customer is GST registered and does not use the vehicle for making GST input taxed supplies, and we have further assumed the customer is liable to income tax at organisational level.

In all cases, if the vehicle is made available for the private use of an employee at any time in an FBT year to 31 March, the FBT consequences will need to be considered.

Contact Your Fleet Mobility Partner
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