

Leasing vs. reimbursement

Weighing the pros and cons of each

		Leasing	Reimbursement
	Human Resources	<ul style="list-style-type: none"> + Recruitment tool 	<ul style="list-style-type: none"> - Can be a hiring disadvantage
	Company Image	<ul style="list-style-type: none"> + Allows for greater control over company image 	<ul style="list-style-type: none"> - Limited control over what car and in what condition the employee drives
	Tax Implications	<ul style="list-style-type: none"> + Lessor is responsible for staying in compliance with applicable tax laws 	<ul style="list-style-type: none"> - Tax consequences with reimbursement programs vary by which method is chosen
	Maintenance	<ul style="list-style-type: none"> + Lower maintenance and repair costs through purchasing power + Can easily be managed by leasing company 	<ul style="list-style-type: none"> - Easier for employees to put off necessary maintenance, increasing the likelihood of vehicle breakdowns
	Safety	<ul style="list-style-type: none"> + Company vehicles stay on a regular maintenance schedule to keep vehicles in safe working condition 	<ul style="list-style-type: none"> - Company has less control over vehicle maintenance - Employee vehicles may lack newer safety technologies
	Insurance	<ul style="list-style-type: none"> + Company can provide proper insurance to cover all vehicles 	<ul style="list-style-type: none"> - Requirements for insurance difficult for a company to monitor and maintain - More risk of drivers being underinsured
	Liability	<ul style="list-style-type: none"> + Company can control factors that can lead to liability exposure, such as maintenance or distracted driving 	<ul style="list-style-type: none"> - More difficult to enforce driver policies with personal vehicles - Company can still be dragged into lawsuits when an accident occurs
	Expense Reporting	<ul style="list-style-type: none"> + Transparency over miles traveled is increased, while expense reports for mileage reimbursement are not needed 	<ul style="list-style-type: none"> - Company has to process expense reports from drivers - Employees can exaggerate business mileage to increase their financial gain