

CDW PAYMENT SOLUTIONS — FREQUENTLY ASKED QUESTIONS

Browse frequently asked questions for more information on CDW technology payment solutions and leasing options.



Who can finance?

Payment solutions are available to corporate and public sector customers. Financial services are not available to any individuals or regulated business entities.

Do I need to have a CDW account in order to finance?

Yes, you must have an assigned CDW customer number. If you do not know your customer number, please contact your account manager.

How does the payment solutions process work?

Overview of the Process:

Note: You must have a CDW account in order to start the payment solutions process.

1. Your account manager will work with you to create a product quote for hardware, software, services or any combination thereof.
2. Your account manager then sends the quote to our Payment Solutions team. Our Payment Solutions team reviews the quote and engages the financing and leasing partner who provides the most appropriate solution on the best rates and terms. Your dedicated payment solutions specialist is also available to answer any questions.
3. Within approximately four hours, the selected financing and leasing partner creates a planning quote that provides an estimate on costs and structuring. Your account manager will share this quote with you. Please note: sometimes preapproval is granted without providing financials. Other times you may be asked to supply your latest financial information, such as audited year-end accounts and details of company ownership. If required, CDW and our financing and leasing partners are willing to sign a non-disclosure agreement (NDA).
4. If, after reviewing your estimate, you have any questions or would like to see your deal structured differently, your account manager engages with our payment solutions specialist and the financing and leasing partner to answer any questions. It is not unusual for a quote to go through several different iterations as the product quote and the requirements are finalised.
5. Once you are satisfied with the terms, you will receive a final quote from our Payment Solutions team. Normally a final quote takes 24 hours to be completed.

6. After the finance documents are completed by you and returned to the financing and leasing partner, CDW will receive a PO that will allow us to deliver your products and services.

What types of payment solutions do you offer?

The most common types are:

Fair Market Value (FMV)

FMV lease (rental lease) offers the lowest monthly payment and at the end of the lease term, you may extend the lease, refresh the equipment, or return the equipment. FMV leases also offer additional benefits:

- Conserve capital
- Lowest upfront cost
- Reduced total cost of ownership
- Protects against tech obsolescence
- May have tax and accounting benefits — please consult your tax professional

Full Pay Out (FPO)

In a FPO lease, the full capital cost of the equipment is usually repaid by the end of the primary term. There are typically low-cost lease extension options to continue use of the equipment without taking title. You'll also get the following benefits:

- Conserve cash flow
- Lower upfront cost
- Low extension rental costs
- May have tax and accounting benefits — please consult your tax professional

Hire Purchase

In a Hire Purchase, you own the equipment at the end of term. Considered a Contract of Sale. You'll also get the following benefits:

- Conserve cash flow
- Lower upfront cost
- Typically full VAT becomes payable on day one
- Deferred VAT payment options available
- May have tax and accounting benefits — please consult your tax professional

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CDW PAYMENT SOLUTIONS

FREQUENTLY ASKED QUESTIONS – Continued

Payment Plan (Loan)

In a Payment Plan, the sale remains with CDW. You enter a payment plan to pay off the invoice. Title to any equipment passes on day one to you. You'll also get the following benefits:

- Conserve cash flow
- Finance the Net amount (standard option), or Gross amount (financed amount would include the VAT)
- Popular for software, licensed products, and service support contracts
- May have tax and accounting benefits – please consult your tax professional

CDW Extended Payment Plan

In a CDW Extended Payment Plan, you would enter in to a payment plan directly with CDW.

CDW partners with a broad panel of specialist financing providers to deliver this service. Supports public sector and corporate customers when using third-party financing companies directly is just not a viable option. You'll also get the following benefits:

- Conserve cash flow
- Finance the Net amount (standard option), or Gross amount (financed amount would include the VAT)
- Popular for software, licensed products, and service support contracts
- May have tax and accounting benefits – please consult your tax professional

What terms are available?

Most financing and leasing partners support terms from 12 months up to 60 months.

Can we defer payments?

Most financing and leasing will consider deferment profiles, from 1 month up to 6 months, followed by a full payment term (e.g., 3-month deferment, followed by 12 months = 15 months).

What payment frequencies are available?

Typical payment profiles are Monthly, Quarterly, Semi-Annually, and Annually. Other options such as bespoke dates to meet your budgetary requirements can be considered.

How is the payment calculated?

Your payment is determined by a Lease Rate Factor or Internal Rate of Return – a periodic payment to a financing and leasing company for the use of assets. Lease Rate Factor x equipment capital cost = your payment.

What if I have problems with the equipment I receive?

You will be contacted when your shipment arrives to ensure you receive exactly what you ordered. After your initial receipt of the equipment, CDW will troubleshoot problems or replace equipment as defined in your warranty. Customer receives benefits of all "buyer" warranties and is responsible for maintenance.

Who owns the leased equipment?

The leasing company, as lessor, is the owner of leased equipment unless you choose to purchase the equipment at end of lease.

May I end my lease early?

The ability to terminate a lease early is determined by the terms of the lease, but it is a rare situation that would make terminating a lease during its term an advisable option. Terminating a lease early would typically require a termination sum to be paid.

If my company is new, can I still lease?

Yes, subject to credit approval. A security deposit may be required. Typically a minimum of two years trading is required.

Can equipment be purchased at the end of a lease?

This depends on the leasing company and program. In many cases, the lessee can choose to continue to extend the lease, purchase the equipment, refresh equipment, or return the equipment to the leasing company.

Who services/maintains equipment?

In a lease, the lessee is responsible for maintaining the equipment.

How does the lessee account for a lease?

The options you choose upfront may have tax and accounting implications. Talk to the financing and leasing partner and your accountant to determine the best options for you.

How will I be billed?

In most cases, you may have the payment set up to automatically occur by Direct Debit from your bank account or the company will invoice you.

How much do I have to pay upfront?

This depends on the financing and leasing company and program. Typically, you will not be required to make any advance payments. The financing and leasing companies will invoice the first payment after you receive all of your equipment and typically send a welcome pack to you.

For more information on how CDW can help you maximise capital so your IT expenditure goes further, contact your account manager, or contact us on +44 (0) 207 791 6110 or on paymentsolutions@uk.cdw.com.

*Any finance available through CDW and/or third party finance and leasing providers remains subject to credit approval and execution of satisfactory documentation. Finance options are available to business customers only. Financial services are not available to individuals. All rates and terms are based on customer's credit rating, offering types, services and/or equipment type and options and are therefore subject to change at anytime. Not all customers may qualify. Not all services or offers are available in all countries. Other restrictions may apply. Customers to seek independent advice when qualifying suitability of finance. For illustration purposes only and this does not form a commitment of credit in any form.

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