



STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

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BUDGET BULLETIN	H-1023	August 18, 1999
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TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: Robert L. King

SUBJECT: Installment-Purchase and Lease-Purchase Financing of Equipment for the Fiscal Year 1999-2000

This Bulletin identifies the requirements for Division of Budget (DOB) approval for new installment and lease-purchases of equipment for all State agencies, departments, the State University of New York, and the City University of New York in fiscal year 1999-2000.

The Division of the Budget is planning an October 1999 COPs sale to finance agency equipment purchases for the entire year. Since the Executive Budget recommendation was enacted as proposed, it is expected that all agency final requests will be at or below amounts recommended with the Executive Budget. To accurately assess all agency equipment needs for which COPs or vendor financing may be required, agencies must review the financing requests they submitted to their Division of the Budget Examination Unit for purposes of preparing the 1999-2000 Executive Budget. Agencies should then follow the instructions outlined below to submit their final requests to their Division of the Budget Examination Unit for approval by **September 16, 1999**. Timely submission of agency requests is essential to plan for the issuance of COPs in 1999-2000.

For all installment and lease-purchase requests for equipment, agencies must:

- Submit requests for any new equipment installment and lease-purchase obligations anticipated for fiscal year 1999-2000 to your budget examination unit by **September 16, 1999**. (Agencies are directed to *Budget Policy and Reporting Manual* Item H-101, which was revised and reissued October 10, 1997, for instructions on how to prepare the request.) Agencies must use the attached H-101 B form which has been revised to include cost estimates and address private use issues.
- Secure prior DOB approval, through the H-101 process, for all new installment and lease-purchase financing of equipment, regardless of

whether the equipment is financed through COPs, an equipment vendor, or a financing company. This includes purchases that will be financed through the Statewide Lease Purchase Agreement.

- Exclude annual fees or costs for vendor maintenance, training, stand-alone consulting services or upgrade of computer software and/or hardware on the H-101 requests for COPs or vendor financing because these items are not eligible for such financing. Consulting services may be included if the services are part of a package and the hardware and/or software component of the package meets the \$250,000 minimum threshold.
- Obtain DOB H-101 approval before refinancing any outstanding installment and lease-purchase obligations.
- Limit installment and lease-purchases to procurements with a minimum outright purchase price of \$250,000.
- For all computer related procurements, obtain appropriate review and approval from the State Office for Technology.
- Submit H-101 requests only for essential equipment for which agencies anticipate they will have sufficient spending authority to make lease payments.
- Accurately identify on their request forms the dates anticipated to order the items and to pay vendors. Those dates will enable DOB to plan when procurements need to be financed and to appropriately schedule COPs sales.

Agencies planning to solicit financing quotes from equipment vendors or financing companies must review the guidelines provided in Budget Policy and Reporting Manual Item H-101 prior to issuing a Request for Proposal or a mini-bid through the Statewide Lease Purchase Agreement.

Questions concerning this Bulletin should be directed to your budget examiner or to Darcie Ciejka (518) 474-7319 or Joe Conroy (518) 474-1616 in the Expenditure/Debt Unit.

Attachment

NOTE: This Bulletin replaces Budget Bulletin H-1019.