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BUDGET BULLETIN	H-1024	August 4, 2000
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TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: Carole E. Stone *CS*

**SUBJECT: Installment-Purchase and Lease-Purchase Financing of Equipment
for the Fiscal Year 2000-2001**

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 2000-2001. Agencies are to submit requests pursuant to the newly revised [Budget Policy and Reporting Manual H-101](#) updated August 4, 2000.

As you may know, the 2000-2001 Enacted Budget incorporates the same COPs volume cap authorization that was proposed in the Executive Budget. As a result, agency final requests for COPs financing must be at, or below, the amounts recommended with the Executive Budget. Agencies should follow the instructions outlined below to submit their final COPs or vendor financing requests for approval to their Division of the Budget Examination Unit by **Friday, August 25, 2000**. Timely submission of agency requests is essential to identify all requests for equipment financing in 2000-2001.

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

- Submit requests for new equipment installment and lease-purchase obligations (including COPs) anticipated for fiscal year 2000-2001 to your budget examination unit by **August 25, 2000**. Agencies are directed to [Budget Policy and Reporting Manual](#) Item H-101, which was revised and reissued August 4, 2000, for instructions on how to prepare the request. Agencies must use the H-101 B and the new H-101C form which reflects anticipated COPs payment schedules.

- For new equipment to be financed through installment or lease-purchase, indicate on the H-101B form (question number seven) the appropriation source and the amount from each appropriation the agency intends to use for payments.
- 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 as 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 or 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.

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, updated August 4, 2000, 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 Rundell (518) 474-7319 or Joe Conroy (518) 474-1616 in the Expenditure/Debt Unit.