



Procedure Title:  
Tax-Exempt Equipment Leasing Program (TELP)

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4301

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Category:  
Hospitals / Clinical Services

Responsible Office:  
[Hospital and Clinical Services](#)

This procedure item applies to:  
Health Science Centers  
University Hospitals

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## Summary

The State University of New York's (University) University hospitals must purchase new and/or replacement equipment on an on-going and continuous basis to ensure patient safety and support the needs of the hospitals' strategic plans. This equipment will be used in the provision of patient care in each of the three University hospitals. Since 1997, the hospitals have financed the purchase of this equipment through the Tax-Exempt Equipment Leasing Program (TELP) administered by the Dormitory Authority of the State of New York. To access TELP program funds, certain administrative procedures must be completed before the funds are available for use. These procedures include the bidding and selection of a vendor, preparation of the bond documents, and obtaining the approvals of state officials, the State University of New York Board of Trustees, and the Board of Directors of the Dormitory Authority. The procedure below details the necessary steps.

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## Process

### **I. Process**

The State University of New York's (University) hospitals must purchase new and/or replacement equipment on an on-going and continuous basis to ensure patient safety and support the needs of the hospitals' strategic plans. The hospital's financial administration is required to prepare detailed equipment lists of items to be funded. Below is the process to be followed for each transaction.

### **I. Request and Pre-approval**

- A. The individual SUNY Hospital's will develop a listing of equipment that they are requesting to be funded utilizing the Tax-Exempt Equipment Leasing Program (TELP) process. Once this list has been approved by Campus/Hospitals management, the hospital's financial administration must provide the following information to System Administration's Office of Hospital and Clinical Services:

1. A list of equipment that will be purchased, which must include:
    - a. A description of the equipment to be purchased;
    - b. An estimated cost of the equipment to be purchased; and
    - c. The estimated useful life of the equipment to be purchased.
  2. Categorization of the equipment into one of the following groups:
    - a. Replacement;
    - b. Life Safety;
    - c. Equipment Upgrades;
    - d. New Initiative.
  3. A detailed explanation for the highest-priced equipment in the request.
  4. An explanation of how all of the equipment to be purchased will support the hospital's strategic plan.
  5. Projections that demonstrate that the hospital has the ability to make the lease payments.
  6. For all equipment, indicate if a Certificate of Need (CON), administrative review, or limited architectural review from the department of health (DOH) is required. For those transactions requiring DOH approval, provide the appropriate CON application number and the approval letter(s).
- B. Once all necessary information is provided, the Office of Hospital and Clinical Services is responsible for the following:
1. Review of the documentation for completeness and securing any outstanding CON approvals.
  2. Preparation of the TELP application for submission to the dormitory authority (DASNY).
  3. Execution and filing of a declaration of intent with DASNY to ensure that the hospital will be able to reimburse itself if operating funds are used to purchase equipment prior to the loan closing.
  4. Obtain appropriate approvals from the University Board of Trustees, DASNY and the public authorities control board and including the approvals in the bond documentation.
  5. Preparation of a publication notice for the New York State Contract Reporter and Request for Proposal to solicit bids from the DASNY list of approved financing vendors. The selection of the successful vendor will be based entirely on the lowest rate presented.

## II. Processing

- A. Once a vendor has been selected, the SUNY Office of General Counsel will be notified and the TELP documentation process will begin.
- B. A master lease with attachments will be reviewed by the University, the Office of the State Comptroller (OSC), the Office of the Attorney General (OAG), DASNY, and bond counsel. The final closing of this transaction will be completed once all required approvals are obtained.
- C. After the closing, the funds will be deposited into an appropriate escrow account. The funds will be drawn down by the hospital after submitting the appropriate documentation to the escrow agent.

## III. Equipment Purchase

- A. For the purchase of equipment utilizing TELP funds, the hospital will follow the applicable procurement requirements, outlined in relevant New York State laws, and the [University Purchasing and Contracting Procurement Procedure, Doc. No. 7553](#).

## IV. Monitoring

- A. All existing TELP transactions will be recorded on a centralized database maintained by the Office of Hospital and Clinical Services. The information to be recorded will include the following:
  1. Date of closing;

2. Dollar value of loan; and
3. The interest rate of the issue.

Note: An amortization schedule should be obtained, but not entered into the database.

- B. The hospital must spend the funds deposited into the escrow account within the 18-month time period defined by law to the extent possible. If funds still remain in the escrow account after the 18-month period, the hospital will be contacted and informed that it is required to rebate any interest earnings that exceed the interest expense on the funds that remain in the escrow account after the 18-month period. The Office of Hospital and Clinical Services will request the appropriate information that allows for the calculation of the amount of interest to be rebated.

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#### Forms

There are no forms relevant to this procedure.

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#### Related Procedures

There are no related procedures relevant to this procedure.

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#### Other Related Information

There is no other information relevant to this procedure.

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#### Authority

### **New York Code, Public Authorities, Article 8, [Title 4-B, Health Care Financing Consolidation Act, Sections \(§1699-D - §1699-J\)](#)**

- [1699-d: Short Title](#)
- [1699-e: Definitions](#)
- [1699-f: Succession by authority to powers, duties and functions of the agency and corporation.](#)
- [1699-g: Separability](#)
- [1699-h: Reports](#)
- [1699-i: Transfer of employees](#)
- [1699-j: Audit and Annual Report](#)

### [New York State Medical Care Facilities Finance Agency Act as amended in 1997](#)

- [Section 1: Short Title](#)
- [Section 2: Declaration of policy and statement of purposes](#)
- [Section 3: Definitions](#)
- [Section 4: New York state medical care facilities finance agency](#)
- [Section 5: Powers of the agency](#)
- [Section 5-A: Federally-aided mortgage loans](#)
- [Section 5-B: Equipment loans](#)
- [Section 5-B\\*: Health maintenance organization loans](#)
- [Section 5-C: Terms and conditions regarding alternative indebtedness](#)
- [Section 5-D: Financing non-profit housing and health facilities](#)
- [Section 6: Bonds and notes of the agency](#)

- [Section 7: Hospital and nursing home projects reserve funds and appropriations](#)
  - [Section 7-A: Secured hospital projects reserve funds and appropriations](#)
  - [Section 7-C: Secured hospital projects reserve funds and appropriations](#)
  - [Section 8: Health facilities reserve funds and appropriations](#)
  - [Section 9: Special provisions relating to the municipal health facilities improvement program](#)
  - [Section 9-A: Special provisions relating to mental health services facilities improvement bonds and notes](#)
  - [Section 10: Bonds and notes as legal investments](#)
  - [Section 11: Exemption from taxation of property and income](#)
  - [Section 12: Exemption from taxation of notes and bonds](#)
  - [Section 13: Agreement with the state](#)
  - [Section 14: State's right to require redemption of bonds](#)
  - [Section 15: Remedies of noteholders and bondholders](#)
  - [Section 16-A: Equal employment opportunity program](#)
  - [Section 16-B: Minority and women-owned business enterprise program](#)
  - [Section 17: Assistance by state officers, departments, boards and commissions](#)
  - [Section 18: Annual report](#)
  - [Section 19: Bond reserve insurance fund](#)
  - [Section 20: Actions against agency](#)
  - [Section 21: Act not affected if in part unconstitutional](#)
  - [Section 22: Inconsistent provisions in other laws superseded](#)
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## History

To ensure that the State University of New York hospitals provide an environment for the safe and effective care of patients, it is necessary to acquire equipment either to provide new or improved services or to replace major moveable equipment that is either technologically outdated or requires frequent repair. Prior to 1997 the University hospitals accessed capital to acquire moveable equipment through New York State's Certificate of Participation Program (COPs). However, access to this program ended leaving the University hospitals with no ability to fund equipment acquisition. In 1997, legislation was enacted authorizing the University hospitals to access the Tax-Exempt Equipment Leasing Program (TELP). Each of the University hospitals has successfully utilized this program to finance equipment at very competitive rates.

This Procedure was updated in June of 2016.

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## Appendices

There are no appendices relevant to this procedure.