Category: Financial Responsible Office: University Budget	**Procedure Title:** Installment Purchase Financing (IPF) Document Number: 7551 Effective Date: October 25, 2010 This procedure item applies to: State-Operated Campuses

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Summary

With NYS Division of Budget (DOB) approval, The State University of New York (University) may finance acquisitions through State-supported bonds (New York State Personal Income Tax Revenue Bonds (PIT) or Certificates of Participation [COPS]), and the Statewide Lease Purchase Agreement (SLPA). These financed acquisitions are referred to as Installment Purchases. This document provides information about the guidelines and the process for the Installment Purchase Financing (IPF) program.

Process

I. Guidelines

A. With Division of Budget (DOB) approval, the State University of New York (University) may finance acquisitions through State-supported bonds (New York State Personal Income Tax Revenue Bonds (PIT) or Certificates of Participation [COPS]), and the Statewide Lease Purchase Agreement (SLPA). These financed acquisitions are referred to as Installment Purchases.

B. Criteria for State-supported bonds [PIT or COPS] or vendor financing:

1. Personal property (equipment) with a useful life of three years or more, and a minimum outright purchase price of at least $1,000,000.

2. Real property with a useful life of 10 years or more and a minimum outright purchase price of at least $1,000,000.

C. Criteria for Statewide Lease Purchase Agreement (SLPA):

1. Personal property (equipment) with a useful life of three years or more, and minimum/maximum dollar amounts to be financed set at $1,000,000 and $15,000,000 respectively.

2. Real property projects are not eligible for SLPA financing.

D. Multiple items of the same type of personal property (equipment), or related items of property acquired as the result of a single Request for Proposal (RFP), may be grouped under one or several contracts as part of a procurement package to reach the applicable minimum purchase price.

E. Consultant services for software improvements are only eligible if they are an integral part of a hardware/software procurement package with a total value of at least $1,000,000. Budget Request Forms IP-1 and IP-2

II. Request Forms IP-1 and IP-2

A. Each fall the system administration budget office asks campuses to “declare intent” to participate in the Installment Purchase Financing (IPF) program during the next fiscal year. This is only a declaration of intent and does not obligate the campus.

B. To declare intent, a campus submits an IPF budget to the system administration budget office using Forms IP-1-installment purchases of equipment and real property to be financed in the next fiscal year and IP-2-installment purchases - justification. The IPF budget must reflect ALL installment purchases proposed for the next fiscal year. This includes any purchases to be financed through State-supported bonds (PIT and COPS), and the Statewide Lease Purchase Agreement (SLPA).

C. The University submits a consolidated IPF budget request for the next fiscal year to request participation in COPs financing and to provide the NYS DOB with an estimate of the total installment purchase financing authorization required.

III. Request for Approval Forms H-101, H-101B, H-101C and H-101S

After the State Budget is enacted and the University Financial Plan is approved, the system administration budget office requests from the campuses confirmation of their IPF participation for the current fiscal year.

A. Campuses that declared intent during the previous fall, or who would now like to participate in the IPF program using state-supported bonds, must now confirm their project plans by submitting the appropriate set of H forms to the office of budget and finance at system administration. Submitting these forms obligates the campus to debt service payments.

1. State-supported bonds (PIT and COPS) require forms H-101-request for approval of installment-purchases - state-supported bonds, H-101B-request for approval of installment- purchase contracts-justification for state-supported bonds and, H-101C-request for approval of installment purchase contracts- schedule of payments for state-supported bonds. All forms must be submitted.

B. Campuses that declared intent during the previous fall, or who intend to participate in the IPF program using the Statewide Lease Purchase Agreement (SLPA) can submit the appropriate set of H forms to the office of budget and finance at system administration shortly before the campus is ready to begin the IPF project.

1. SLPA require forms H-101S-request for approval of installment-purchases - statewide lease purchase agreements and H-101B forms, and these must be submitted for pre-approval. The pre-approval authorizes the campus to begin the procurement process for the financing.

2. If DOB pre-approves SLPA, the campus completes the procurement process for the financing and then resubmits forms H-101S and H-101B for final approval.

C. As equipment priorities change during the year, revised H-101 forms must be submitted. However, revisions that increase the dollar commitment beyond the original request require approval from the vice chancellor for finance and business.

IV. Installment Purchase Financing Timeline

A. October of prior year – Campus indicates interest in participating in IPF program, submits IP1 & IP2 documents

B. October – Campus commits to financing requested the prior October, submits H-101 forms; IPF bonds are sold to the public

C. January – Bond proceeds are made available through the Office of General Services to SUNY. The Controller's Office sets up an account within the SUNY accounting system for campus use.

D. February/August – Bi-annual debt service is paid on the bond proceeds for the financing term.

Forms

Schedule IP-1, installment purchases of equipment and real property to be financed in the next fiscal year

Schedule IP-2, installment purchases justification

Form H-101 - request for approval of installment - purchases - state-supported bonds

Form H101B - request for approval of installment- purchase contracts- justification for state-supported bonds

Form H101C - request for approval of installment purchase contracts- schedule of payments for state-supported bonds

Form H101S - request for approval of installment-purchases - statewide lease purchase agreements

Related Procedures

NYS Division of the Budget Installment Purchase Financing Guidelines

NYS Division of the Budget, Budget Policy & Reporting Manual, Installment-Purchase Financing, Schedules IP-1 and IP-2

Other Related Information

Authority

New York State Division of Budget Requirement

History

October 25, 2010 – Policy updated to increase minimum threshold for IPF projects from $250,000 to $1,000,000; removal of references to the Vendor Financing option from the program.

Appendices

There are no appendices relevant to this procedure.