

ADMINISTRATIVE SERVICES POLICY

SUBJECT: Equipment Leases

POLICY STATEMENT:

Each program shall develop a system to implement the following standards regarding the leasing of equipment.

STANDARDS:

1. The program shall research available lease options and submit a request for approval to their program Director.
2. The program bookkeeper shall forward the lease documentation to the Chico Accounts Payable person who will submit to the Chief Financial Officer (CFO) or the Executive Director of Administrative Services for approval.
3. If approved, the Chico Accounts Payable person shall make a copy of the lease so that it is readily available to the auditors, and forward the original to the appropriate program Office Services Manager (OSM).
4. The program OSM shall review the lease documentation with the bookkeeper, who will process the lease for payment.
5. The program bookkeeper shall send a copy of the signed lease agreement to the lessor and retain a copy at the program.
6. The program bookkeeper is responsible for maintaining payments to the lessor during the term of the lease. Payments shall be coded to account 8501.
7. All equipment is covered by the Agency's insurance carrier. Any charges for insurance on monthly invoices should not be paid. The program bookkeeper shall contact the lessor, and if necessary submit proof of insurance.
8. The program bookkeeper is responsible for tracking the lease expiration dates. Prior to expiration of a lease agreement it is the responsibility of the program bookkeeper to work with the OSM to stop payment on the lease, investigate other lease options, or with the written approval of the CFO or the Executive Director of Administrative Services, renew the lease option.
9. Maintenance agreements are to be approved by the program Director or a designee and paid from the program. Payments shall be coded to account 8502.

APPROVED _____

