

Section Name: Financial Management
Section Number: 300
Policy Number: 310

Effective Date: November 13, 2001
Revised Date: April 6, 2021

Subject: Equipment Leasing

Purpose.

The purpose of this policy is to establish, operate and maintain a system to acquire capital equipment for use by county departments; to provide a fund including provisions of self and sustaining features for the purchase of capital equipment and to provide a process to lease equipment to county departments and to provide for the replacement of capital equipment.

Scope:

This policy applies to all departments/offices of the County of Monroe.

Statement of Policy:

- A. By action of the Board of Commissioners there is hereby created a Fund entitled the "Equipment Leasing Fund". This fund is to be used to make purchases of Capital Equipment to be used by the various offices of the County of Monroe. All purchases of Capital Equipment made from this fund shall be approved by the Administrator/Chief Financial Officer and repayment for the purchase of Capital Equipment shall be appropriated in the annual county budget.
- B. The Operations Coordinator and/or Administrator/Chief Financial Officer shall be responsible for approving all specifications for all Capital Equipment purchased for the County from the Equipment Leasing Fund. All Capital Equipment shall be purchased in accordance with the County purchasing policy.
- C. All Capital Equipment purchased from the Equipment Leasing Fund shall be leased back to the requesting department at costs covering the payment schedule developed for each piece of equipment. Money budgeted in the departmental budget for the equipment shall be transferred to the Equipment Leasing Fund quarterly to reimburse the Equipment Leasing Fund for the purchase cost of the equipment plus any additional costs including interest and fees. The Finance Department will determine the interest rate charged at the time of purchase for each capital equipment item, and may adjust the rate annually. The annual lease cost shall be charged to the user department until such time as the equipment is fully paid for with payments to the Equipment Leasing Fund. Any unexpended funds in the department line item will be retained in the General Fund at the end of the lease payment schedule.
- D. Capital Equipment that has reached obsolescence and is no longer serviceable may be replaced with funds in the Equipment Leasing Fund.

- E. Elected Officials/Judges/Department Heads shall be responsible for maintaining all Capital Equipment assigned to their department. Each Elected Official/Judge/Department Head shall maintain detailed maintenance and repair records for each piece of equipment purchased from the Equipment Leasing Fund and submit summary reports of those records, including the information listed in Section F to the County Administrator/Chief Financial Officer as part of a request for capital equipment for replacement during the annual budget development process, or as necessary due to need.

- F. The County Administrator/Chief Financial Officer shall replace Capital Equipment from the Equipment leasing fund based on the following criteria:
 - 1. Maintenance history of the Equipment
 - 2. Current age of the equipment.
 - 3. Current use of the equipment.
 - 4. Estimated current trade-in value of the Equipment.
 - 5. Estimated repair and maintenance expenses necessary to keep the Equipment in service for the next period.
 - 6. Availability of funds for equipment replacement
 - 7. General Condition of the Equipment.
 - 8. ROI of new equipment vs. cost of maintaining existing

- G. All obsolete equipment shall be disposed of in accordance with the County policy on equipment disposition including destruction of hard drives and other media sources that could have County information. All proceeds from the sales of equipment shall be receipted by the Finance Department as the sale of Capital Equipment and deposited into the Equipment Leasing Fund.

- H. Where applicable the Administrator/Chief Financial Officer may approve the transfer of equipment from one department to another to best serve the needs of the effected departments. This transfer may be based on changing needs among the departments and ability to finance the purchase of capital equipment.

Definitions:

- A. Capital Equipment- Equipment with an expected useful life of three years or more and cost exceeding \$5,000.

Policy Compliance:

A. Responsibility:

- 1. Elected Officials/Judge/Department Heads- Each shall be responsible for reporting requirements and the maintenance of capital equipment. Additionally, each will be responsible for the timely request of replacement

equipment, and requesting the annual appropriation to their budget to fund the annual payments to the Equipment Leasing Fund to repay the equipment purchase and financing costs.

2. The Operations Coordinator shall be responsible for procuring all equipment for all departments in accordance with this policy.
3. County Administrator/Chief Financial Officer- The County Administrator / CFO shall be responsible for developing the loan financing schedule and agreement with the requesting department/office.

Administrative Procedures: None

Legislative History of Authority for Creation or Revision:

Adopted pursuant to action of the Monroe County Board of Commissioners, dated November 13, 2001.

Revised pursuant to action of the Monroe County Board of Commissioners, dated April 6, 2021.