

R587-1. Purpose: To provide criteria for the utilization of Department of Administrative Services certificates-of-participation financing for lease-purchases of equipment, and to authorize the Commissioner to approve specific acquisitions of equipment on a lease-purchase basis.

R587-2. References

- 2.1. 53B-1-102, Utah Code Annotated 1953
- 2.2. 53B-1-103, Utah Code Annotated 1953

R587-3. Policy

- 3.1. **Commissioner's approval:** Lease-purchase acquisitions requiring the Commissioner's approval are limited to those which:
 - 3.1.1. are substantial in nature; or
 - 3.1.2. involve utilization of the certificates-of-participation financing facility available through the Department of Administrative Services (DAS).
- 3.2. **Authorized costs of equipment:** For the System, the cost of equipment acquisitions utilizing DAS certificates-of-participation financing shall not be in excess of the total amount shown in the DAS list submitted to the March 1984 Special Session of the Legislature unless otherwise approved by the Board.
- 3.3. **Authorized debt service costs paid from appropriated funds:** To the extent that debt service costs for lease-purchase acquisitions are to be paid by an institution from appropriated funds, the cumulative commitment of annual payments during any fiscal year from such funds, for these and any previous equipment purchases, shall not exceed 50 percent of the budgeted funds for equipment in the relevant line items, respectively, for that institution during that fiscal year.
- 3.4. **Debt service costs paid from non appropriated funds:** To the extent that debt service costs for such acquisitions are to be paid by an institution from non-appropriated funds, the cumulative commitment of such funds for these and any previous equipment purchases to be paid from the same source will be shown, by an economic feasibility study, to be prudent and reasonable in relation to budgeted equipment funds from that source.
- 3.5. **Future acquisitions:** Future equipment acquisitions by an institution on a lease-purchase or other similar basis involving debt service payments covering more than one year may not exceed the limitations stated in paragraphs 3.3 and 3.4 unless previously authorized by the Board of Regents or the Legislature.

¹ Approved May 15, 1984.