

**APPENDIX 7
LEASE PURCHASE PROGRAM FOR EQUIPMENT**

Agencies may use the Treasurer’s lease financing program for significant equipment purchases, found at <http://www.treasurer.state.md.us/debtmanagement/equipment-lease-purchase-financing.aspx>. For further information, go to <http://www.treasurer.state.md.us/debtmanagement/capital-lease-financing.aspx>.

The following Schedule of Charges for Equipment Financed through the Master Equipment Lease-Purchase Program lists the charges to agencies by fiscal year for equipment financed as of June 2020. The schedule should be used to derive the amount to be budgeted in Comptroller Objects 1021, 1041, 1121, and 1141 (Capital Lease Payments to Treasurer).

If an agency’s total budget request for these charges is different from the amount in the Schedule, please provide an explanation to the agency’s OBA analyst, clearly identifying how the request is derived and why it differs from the Schedule.

Adjustments should be made to reflect the following, as needed:

- If an agency plans to finance the purchase of additional equipment, the amounts on the Schedule should be increased. Agencies may request a payment schedule for expected future equipment leases from their budget analyst. Payments can also be estimated as follows:

If equipment is financed (vendor paid)	First semi-annual payment is on:	Amount of debt service during fiscal year is the administrative fee plus:	
		FY 2022	FY 2023
October 2021	January 1, 2022	One interest-only payment	Two full payments
December 2021 and/or March 2022	July 1, 2022	none	One interest-only payment plus one full payment
June 2022 and/or October 2022	January 1, 2023	none	One interest-only payment
After October 2022	July 1, 2023	none	none

Please note the estimated total equipment cost and expected time of leasing for any additional equipment leases using a brief explanation in the comment field in BARS.

- If there are (or will be) prepayments, deduct amounts for the FY 2021 and/or FY 2022 lease payments that will have been satisfied as a result of the prepayments. Use the amortization schedule you received at the time of financing to calculate the deductions (for assistance in determining the effect of prepayments, contact Christian Lund, State Treasurer’s Office, 410-260-7920).

State agencies should discuss potential equipment leases with the Treasurer’s Office prior to purchasing equipment from a vendor. State agencies requesting funds in the FY 2023 budget for

equipment lease purchases must wait until the General Assembly approves the funding before purchasing the item from the vendor. Questions should be directed to the DBM budget analyst.

Schedule of Charges to Agencies for Equipment Financed Through the Master Equipment Lease-Purchase Program (includes administrative fee)

All equipment financed through:

August 2021

Financial Agency	Fiscal Year 2022	Fiscal Year 2023
C80 Office of the Public Defender	\$592,664	\$753,783
D38 State Board of Elections	\$434,617	\$24,823
D55 Department of Veterans Affairs	\$415,763	\$547,730
E20 State Treasurer's Office	\$73,114	\$25,384
K00 Department of Natural Resources	\$209,132	\$104,480
M00 Maryland Department of Health	\$874,252	\$813,803
Q00 Department of Public Safety and Correctional Services	\$673,276	\$1,290,064
R14 St. Mary's College of Maryland	\$85,515	\$85,424
R15 Maryland Public Television	\$518,137	\$268,966
S00 Department of Housing and Community Development	\$628	\$92,325
U00 Maryland Department of the Environment	\$222,247	\$162,106
Total	\$4,099,345	\$4,168,888