

**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 2022. The schedule should be used to derive the amount to be budgeted in Comptroller Subobjects 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 was 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 2023	FY 2024
October 2022	January 1, 2023	One interest-only payment	Two full payments
December 2022 and/or March 2023	July 1, 2023	none	One interest-only payment plus one full payment
June 2023 and/or October 2023	January 1, 2024	none	One interest-only payment
After October 2023	July 1, 2024	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 2022 and/or FY 2023 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 Kristen Robinson, State Treasurer’s Office, krobinson@treasurer.state.md.us).

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 2024 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 OBA budget analyst.

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

All equipment financed through:		June 2022	
Financial Agency		Fiscal Year 2023	Fiscal Year 2024
C80	Office of the Public Defender	\$753,784	\$461,997
D38	State Board of Elections	\$38,807	\$323,668
D55	Department of Veterans Affairs	\$547,730	\$340,209
E20	State Treasurer's Office	\$25,384	\$25,357
H00	Department of General Services	\$505	\$10,774
K00	Department of Natural Resources	\$104,481	\$0
M00	Maryland Department of Health	\$814,708	\$643,348
Q00	Department of Public Safety and Correctional Services	\$1,293,818	\$1,195,884
R14	St. Mary's College of Maryland	\$85,424	\$22,928
R15	Maryland Public Television	\$268,966	\$110,957
S00	Department of Housing and Community Development	\$92,326	\$92,224
U00	Maryland Department of the Environment	\$162,107	\$51,178
Total		\$4,188,040	\$3,278,524