

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.650	1 of 1	July 1, 2010
Subject	YEAR-END PROCEDURES LEASE-PURCHASE BUYOUTS		

It is the policy of the Department of Management (DOM) to allow the buyout of lease-purchase agreements with remaining fiscal year monies. **Prior** to the buyout of a lease-purchase agreement of \$5,000 or more, DOM requires departments to submit a written request and then receive approval to be considered allowable.

Approval by DOM for the buyout of a lease-purchase agreement is not required if less than \$5,000.

Example 1 A department enters into a 5-year lease-purchase agreement. In year 3 of the agreement, the department would like to buyout the remaining lease balance of \$6,275. The department must submit a written request and then receive approval from DOM in order for the buyout to be an allowable expenditure.

Example 2 A department enters into a 5-year lease-purchase agreement. In year 3 of the agreement, the department would like to buyout the remaining lease balance of \$3,750. A written request and approval by DOM is not required in order for the buyout to be an allowable expenditure.