**IMPORTANT: DEPARTMENT MUST CONFIRM THEIR UNDERSTANDING AND ACCEPTANCE OF THE CAPITAL LEASE PROCESS PRIOR TO THE ISSUANCE OF THE LIPA OR REQUISITION**

- Department selects equipment to be acquired
- Department forwards final equipment quote to Purchasing
- Purchasing forwards lease process checklist to DPT
- Department returns lease checklist to Purchasing
- Checklist is reviewed based on Capital Lease Policy and Process and request to lease is either approved or denied.
- **APPROVED REQUEST**
  - Purchasing solicits/reviews lease bids and forwards best lease option to department with approved checklist
  - Department confirms lease pricing to Purchasing
  - Purchasing issues Lease Initiation Payment Authorization (LIPA) to department
- Department creates requisition (job aid provided on Purchasing website)
- Department executes LIPA and upload into EDM with fully executed Lease Checklist
- Follow Purchasing Life Cycle
- Equipment is delivered. Purchasing contact department to confirm receipt and acceptance
- For Vehicle leases, complete a new vehicle acquisition form found on Risk Management website

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**For Vehicle leases only**

- Department returns (pack/ship freight prepaid & insured) equipment to Lessor
- Procurement Services process Lease extension and payment
- Department forwards return receipt to Purchasing
- Procurement Services process Payment Authorization
- For motor vehicles, department must complete a vehicle disposal report & take photographs of vehicle prior to returning vehicle to Lessor
- Department forwards copy of inspection report, photos and return receipt to Purchasing
- Procurement Services uploads documentation to EDM
- Department confirms receipt of LERP and issues lease documents from Lessor
- Lessor issues payment to equipment vendor
- Purchasing receives and forwards to department the end of term information from Lessor
- If Applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- If applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- Department request all required approvals
- Purchasing finalized change order
- Department initiates inspection and certification of equipment
- Option 1
  - Departments confirms to return of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment
- Option 2
  - Department confirms Lease Extension
  - Department executes LIPA, request all required approvals for Change Order or Requisition and if applicable upload all supporting documents into requisition
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
- Option 3
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment

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**For motor Leases only**

- Lease close out
- No later than ninety (90) days prior to the end of the warranty period, department MUST solicit service agreement quote to cover the life of the lease and issuance
- Lease payment process begins and is managed by Procurement Service
- Lessor issues payment to equipment vendor
- Purchasing executes lease documents to Lessor.
- Purchasing notifies Lessor of department's end of term decision and request any supporting documents
- Purchasing receives and forwards to department the end of term information from Lessor
- If Applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- If applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- Department request all required approvals
- Purchasing finalized change order
- Department initiates inspection and certification of equipment
- Option 1
  - Departments confirms to return of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment
- Option 2
  - Department confirms Lease Extension
  - Department executes LIPA, request all required approvals for Change Order or Requisition and if applicable upload all supporting documents into requisition
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
- Option 3
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment

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**For FMV Leases Only**

- Lease close out
- No later than ninety (90) days prior to the end of the warranty period, department MUST solicit service agreement quote to cover the life of the lease and issuance
- Lease payment process begins and is managed by Procurement Service
- Lessor issues payment to equipment vendor
- Purchasing executes lease documents to Lessor.
- Purchasing notifies Lessor of department's end of term decision and request any supporting documents
- Purchasing receives and forwards to department the end of term information from Lessor
- If Applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- If applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- Department request all required approvals
- Purchasing finalized change order
- Department initiates inspection and certification of equipment
- Option 1
  - Departments confirms to return of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment
- Option 2
  - Department confirms Lease Extension
  - Department executes LIPA, request all required approvals for Change Order or Requisition and if applicable upload all supporting documents into requisition
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
- Option 3
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment

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**For Finance Leases Only**

- Lease close out
- No later than ninety (90) days prior to the end of the warranty period, department MUST solicit service agreement quote to cover the life of the lease and issuance
- Lease payment process begins and is managed by Procurement Service
- Lessor issues payment to equipment vendor
- Purchasing executes lease documents to Lessor.
- Purchasing notifies Lessor of department's end of term decision and request any supporting documents
- Purchasing receives and forwards to department the end of term information from Lessor
- If Applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- If applicable Purchasing initiates Change Order to cover any rate adjustment, increase or decrease to capitalized amount, etc
- Department request all required approvals
- Purchasing finalized change order
- Department initiates inspection and certification of equipment
- Option 1
  - Departments confirms to return of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment
- Option 2
  - Department confirms Lease Extension
  - Department executes LIPA, request all required approvals for Change Order or Requisition and if applicable upload all supporting documents into requisition
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
- Option 3
  - Department confirms Lease buy-out of equipment to Purchasing
  - Department initiates inspection and certification of equipment
  - Department initiates inspection and certification of equipment

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**Version 6, updated 8/14**

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**Note:** dpt must upload all supporting documentation as required in accordance with the competitive sourcing policy.