

Employee Computer Lease/Purchase Program

- I. Purpose:** To establish a policy of assisting employees in acquiring and sharpening computer literacy skills by providing interest free loans to acquire personal computer equipment and software similar to what employees may be asked to use for Town business. This policy details the terms and conditions of agreements between the town and participating employees whereby employees may lease such equipment from the Town and acquire ownership of the equipment at the termination of the lease.
- II. Organizations Affected:** All departments/divisions.
- III. References:** Approved by the Board of Commissioners on May 15, 1996.
- IV. Policy:** The policy of the Town of Nags Head is to encourage employee development of computer literacy skills because of the acknowledged significant contribution of such skills to improving services to the public. The Town therefore offers to lease computer equipment and software similar to what employees may use in performing duties for Town business for employees' personal use. At the successful completion of these lease payments, employees shall acquire ownership of the equipment and software.

To participate in the program, the employee must agree to all terms and conditions set forth in this regulation. Should the employee terminate employment with the Town of Nags Head prior to the completion of the lease period, the employee agrees to pay the balance of the lease payments either through deductions from the final paycheck or through an additional payment if the final paycheck is insufficient to pay the balance.

Should the employee return such computer equipment or software to the vendor, sell or dispose of the equipment or otherwise render the equipment or software unavailable for employee's home use, the balance of the lease payments shall become immediately due and payable to the Town, and if not paid within 30 days of such return or disposal, shall be deducted from the employee's paycheck. Failure of an employee to inform the Town of such conversion of equipment or software may be grounds for discipline.

V. Terms and Conditions:

- A. The sum of the lease payments will equal the cost to the Town of acquiring the equipment or reimbursing for acquisition by an employee, inclusive of freight and taxes (including out of state sales tax). The employee will be responsible for acquiring any additional installation and training services as needed. The lease will not include the cost of such services.
- B. Employees will make lease payments through payroll deductions each bi-weekly pay period, beginning with the pay period following delivery of the equipment. The number of payments may not exceed 78 (i.e., 3 years). Employees may elect to make additional payments at any time to reduce the amount of the payment or reduce the number of payments to complete the lease.
- C. The term of the lease will not exceed 3 years. Employees may normally terminate the lease by payment of the balance of the lease payments; not by return of the equipment. Exceptions to this policy may only be made for hardship situations and must be approved by the Town Manager based upon the best interest of the Town.
- D. An individual employee may lease a single computer system, not to exceed \$3,000.00 in cost. Employees may not assign or transfer their rights to the equipment during the term of the lease without prior written approval by the Town Manager or designee.
- E. Because the purpose of the program is to encourage employee investment in developing computer skills which they are likely to use for Town business, purchase requests will be reviewed by the Deputy Town Manager to assure that the type of equipment and software purchased will be useful in developing skills which the employee will use, or might be called to use, on the job.
- F. Participating employees must submit the following to the Deputy Town Manager, prior to purchase

of equipment or software:

1. Request to Participate in Employee Computer Lease/Purchase Program -Form A.
2. Equipment and software description or itemized vendor price quotation.

The Deputy Town Manager will review the information and notify the employee of approval. The employee may then purchase the equipment or software and submit detailed receipts to the Deputy Town Manager for reimbursement, or MIS will purchase the equipment for pickup by the employee. No reimbursement will be made for equipment or software purchased prior to approval by the Deputy Town Manager. Participating employees are responsible for equipment servicing and maintenance and must maintain the equipment in good condition.

- G. Participating employees must respect the terms of the software licenses which the Town has obtained for Town business. Usually, the significant terms are:
1. The software may be used by any number of people on any number of computers, but only one computer and one user for each license at a time.
 2. Employees may not duplicate the software or documentation for any purpose other than backup and archiving except as permitted under the terms of the license.
- H. Only regular employees of the Town are eligible for participation in the program. The Town retains the authority to disqualify any employee from participation in the program for any stated reasons (such as, but not limited to, un-credit-worthiness, lack of any potential benefit to the Town, etc.) which are in the best interests of the Town.

VI. Responsibilities:

A. The Employee will:

1. Read and agree to the terms and conditions of the lease program as described in this Administrative Regulation prior to participating in the program
2. Prepare requests (Form A), specifying brand and type of equipment.

B. The Deputy Town Manager will:

1. Review requests and determine if equipment and software requested conforms to the purpose of the program.
2. Determine if sufficient funds are available for meeting the requests. If not, hold the request until funds become available and process in the order received.
3. If the employee chooses, order the equipment or software through Purchasing.
4. Forward approved requests to Accounting.

C. Purchasing will:

1. Process the orders and notify the employee of pickup arrangements when the order has been received.

D. Accounting will:

1. Obtain employee signature on payroll deduction agreement (Form B) upon receipt of equipment.
2. Initiate deductions by payroll deduction entries.
3. Credit deductions to an account established for funding purchases for the employee lease/purchase program.
4. In the case where the employee has purchased the equipment, issue a reimbursement check.

FORM A

TO: DEPUTY TOWN MANAGER

FROM: _____

SUBJECT: REQUEST TO PARTICIPATE IN EMPLOYEE COMPUTER LEASE/PURCHASE PROGRAM

I have read and understand the terms and conditions of the Administrative Policy on Employee Computer Lease/Purchase Program and I wish to participate. I request that the Town (choose one):

_____Purchase the equipment described below on my behalf.

_____Reimburse me after I have made the purchase and submitted an itemized vendor's receipt I understand that this request must be approved by the Town before I purchase the equipment

Equipment and Software
(or attach vendor itemized price quote)

Est. Cost

TOTAL _____

(Date)

(Employee Signature)

(Date)

APPROVED: _____
(Deputy Town Manager)

(Date)

APPROVED: _____
(MIS Coordinator)

FORM B

EMPLOYEE COMPUTER LEASE/PURCHASE AGREEMENT

I hereby acknowledge requesting participation in the Town's Employee Computer Lease/Purchase Program and I agree to be bound by the terms and conditions of the program as described in the Administrative Policy. I hereby agree to lease computer equipment from the Town in an amount totaling \$ _____ . I agree to make lease payments to the Town of Nags Head in the following manner:

Payroll deduction in the amount of _____ equally divided over the course of _____ pay periods (maximum 78 periods).

Should I terminate my employment with the Town of Nags Head prior to the completion of my repayment obligation, I understand the remaining balance will be deducted from my final paycheck. If my final paycheck is not large enough to pay the remaining balance, this amount shall become a debt to the Town which must be paid immediately. At the completion of these payments, I will acquire title to the equipment under lease. I understand I have the responsibility for installation, setup, servicing, and maintenance of this equipment, and I will keep the equipment in good working condition for the term of the lease.

(Date)

(Signed)

(Print Name)

(Witness)

Do not write below this line (for accounting purposes only).

Processed by Accounts Payable with check # _____ in the amount of \$ _____.

A/P Initials

First Payroll deduction _____, in the amount of \$ _____
Date

Payroll Initials