

Financial Marketplace Terminology

Key -- G\$ = GS \$Mart® L\$ = Lease \$Mart® \$\$ = Both Programs

\$\$ Acceptance: The decision by the State agency that the contracted asset is acceptable to the State.

\$\$ Acceptance Testing Period: The period of time specified in a contract where the State agency has the right to test the assets to meet certain criteria for acceptance.

\$\$ Agency: The State of California organization that has contracting authority.

G\$ Amortization Schedule: Document provided by the Lender which specifically outlines the payment stream for an installment purchase.

\$\$ Assets: The goods and/or services to be acquired in a contract.

\$\$ Buyer: Party who buys or contracts to buy assets.

\$\$ Capitalized Finance Charge: Additional fee the Lender/Lessor is charging to conduct this deal. The State prefers that this fee be all inclusive to either the lending interest rate (GS \$Mart®) or the lease factor (Lease \$Mart®).

\$\$ Capitalized Interest: Not allowed in either program.

\$\$ Contract: A legally binding agreement between two or more entities.

\$\$ Cost of Borrowing: The added cost of borrowing funds to acquire assets.

\$\$ Counsel: The attorney representing any party.

\$\$ E-commerce: Slang for "electronic commerce," derived from conducting business over, and through, the Internet.

G\$ Escrow Funding: The concept of a State agency paying budgeted funds into a holding account prior to acceptance of an asset.

L\$ Financed Lease: A lease where the purchase price at the end of the payment stream is nominal. Title to the asset never passes to the State unless the State exercises its purchase option (if applicable to the specific deal).

\$\$ Financial Marketplace: State of California, Department of General Services' Internet based, E-commerce financial program, comprised of "GS \$Mart®" and "Lease \$Mart®."

\$\$ Funding Close: The time when all activity related to acquiring funds for a deal is completed, including the execution of closing documents and disbursement of those documents to the appropriate parties.

G\$ GS \$Mart®: The financing arm of the State's financial marketplace.

G\$ GS \$Mart® Manager: The person responsible for managing the GS \$Mart® program.

G\$ Installment Purchase: A purchase where payment for the asset is made in installments (similar to that of a personal automobile or home mortgage - title passes to the borrower). Title to the assets transfer to the buyer once interest on the purchase commences.

\$\$ Insurance: An agreement by one party to indemnify or guarantee another party against loss by a specified contingency or peril.

L\$ Lease: See Financed Lease.

L\$ Lease Factor: A decimal number used to calculate the lease payment (i.e., lease factor x purchase price = lease payment).

L\$ Lease Payment Schedule: Document provided by the Lessor which specifically outlines the payment stream for a financed lease.

G\$ Lease Purchase: See Installment Purchase.

L\$ Lease \$Mart®: The leasing arm of the State's financial marketplace.

G\$ Lender: The firm that arranges for the funding of a installment purchase.

G\$ Lending Fees: See Capitalized Finance Charge.

L\$ Lessor: The firm that arranges for the funding of a financed lease.

L\$ Lease Fees: See Capitalized Finance Charge.

L\$ Lease \$Mart® Manager: The person responsible for managing the Lease \$Mart® program.

L\$ Operating Lease: See Financed Lease.

\$\$ Payment: Delivery of money in fulfillment of an obligation.

L\$ Payment Factor: See Lease Payment Factor.

\$\$ Purchase: A contract for the ownership of an asset.

L\$ Purchase Option: Right to exercise an option to purchase the assets at the end of term.

\$\$ Receipt: The taking of physical possession of assets.

\$\$ Rental Agreement: A contract for the right to use an asset for a given period of time (i.e., the State's Master Rental Agreement [MRA] program).

\$\$ Supplier: Party who sells or contacts to sell assets.

\$\$ Title: The ownership rights to an asset.