

SAM – FINANCED ACQUISITIONS
GS \$Mart©

INSTALLMENT PURCHASE CONDITIONS

3420.20

(New 12/06)

Installment purchases can be used for:

1. Orders for applicable items placed against Leveraged Procurement Agreements such as the California Multiple Award Schedules (CMAS), unless otherwise stated in user instructions,
2. Competitive acquisitions, or
3. Noncompetitive acquisitions.

Conditions for entering into an installment purchase include, but are not limited to, the following:

1. Generally, the financed portion of an acquisition is a minimum of \$100,000. This includes the cost of the tangible asset and, if applicable, sales tax. Financing an amount smaller than \$100,000 may not be cost-effective. Contact the financial marketplace for additional information regarding finance of lower dollar-value transactions.
2. The term duration of the installment purchase may not exceed the projected useful life of the asset being financed.
3. No GS \$Mart© financed contract may be signed without prior written approval by the Department of General Services.
4. Acquisitions conducted under delegated purchasing authority that include financing must subscribe to the requirements identified in the State Contracting Manual, Volume II (Purchasing Authority Manual). For determination of whether the transaction is within a department's delegated purchasing authority limit, the finance cost associated with the purchase is not included.

If a department wishes to consider a lender that is not participating in the GS \$Mart© program, then prior to proceeding contact a financial marketplace representative to learn how the lender can qualify to participate. Requirements to become a lender are located on the GS \$Mart© Internet site.

All State departments that use the GS \$Mart© program and are subject to the Department of General Services' oversight must send a copy of each financed agreement to the financial marketplace. The contract is reviewed to ensure compliance with Internal Revenue Service code requirements. The financial marketplace also files the necessary tax forms and reports on behalf of the department.