

SAM—LEASE/PURCHASE EQUIPMENT

REVIEW OF LEASE (Revised & Renumbered from 3761 8/92)

3760

Review any equipment that is acquired under a lease when the conditions that lead to the lease decision have substantially changed, or may soon change. Frequently, there are changes in the projected useful life. For example, the useful life of the equipment may change with increased workload volume. These changes alter the balance between lease versus purchase costs. At such times the equipment lease/purchase should be reviewed by using the lease/purchase analysis, using the same format as the original lease/purchase analysis. Generally, vendors allow credits of rental payments toward the purchase. Adjust the purchase price accordingly.