

SAM – FINANCED ACQUISITIONS
GS \$Mart

INSTALLMENT PURCHASE CONDITIONS

3420.20

(Revised 8/2014)

Installment purchases can be used for:

1. Orders for applicable items placed against Leveraged Procurement Agreements including, but not limited to 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 \$50,000. This includes the cost of the tangible asset and, if applicable, sales tax. Financing an amount smaller than \$50,000 may not be cost-effective. Contact the SFM 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 (SCM), [Volume 2](#) or SCM [Volume 3](#). 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 SFM 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 SFM. The contract is reviewed to ensure compliance with IRS tax code requirements. The SFM also files the necessary IRS tax forms and reports on behalf of the department.