

Financing / Leasing Process

The Department of General Services (DGS) has updated the State Administrative Manual (SAM) on financings or on the Use of GS \$Mart. This is found in [SAM Section 3400](#).

The Department of Finance (DOF) has released a new Budget Letter on the use of GS \$Mart. This is [Budget Letter 06-27](#).

Please review both of these documents before proceeding with a request to do a financing through GS \$Mart.

With the changes that have happened throughout the Procurement Division, the State Financial Marketplace (SFM) will be working with the Purchasing Authority Management Section, and the Office of Legal Services at the Department of General Services, to ensure all acquisitions have followed the proper guidelines and that the documentation is complete before we can consider the financing of an acquisition. The using department should also include any financing requests in the FSRs, BCPs and ITPPs that are submitted for review and approval of either the DOF or DGS. The SFM Certification of Compliance form mentions most of the documents that must be submitted with the request. The purchase must meet all of the criteria of the most recent Management Memos, Budget Letters and Executive Orders. The remainder of the following interim guidelines will remain in place:

1. As specified in the [SAM Section 3400](#), and the DOF [Budget Letter 06-27](#), the DOF no longer has to approve financings where the funds used to payback the loan are already contained in the using department's baseline budget. All financings will continue to be approved by the Director of the DGS as set forth in number 4 below. The SFM Manager will request the required approvals upon satisfactory review of all of the background documents, such as but not limited to, type of purchase contemplated, FSRs, BCPs, WCJFs, ITPPs, etc., provided by the using department.
2. All leasing and financing deals must be bid out by the SFM team members;
3. It is recommended that Leasing and Financing deals begin at \$100,000. However, under special circumstances Financings may be completed starting at \$50,000. Salvage Rider deals under \$100,000 will not be done.
4. The Certification of Compliance Form and the Request for Rate Quote Form (RFRQ) must be filled out and returned to the SFM Manager.
5. The new [Certification of Compliance Form](#) shall be filled out and signed by those people specified on the form. This form is necessary for a financing. This form must be filled out prior to the SFM Manager starting the financing process. The financing may require DOF approval and lack of signatures may slow down this process. It may need to be revised later depending on how the interest rates have changes since the original time the form had been filled out.
6. All deals for state agencies from \$50,000 to \$499,999 must be approved by the SFM Manager, deals between \$500,000 and \$999,999 must be approved by the Deputy Director of the Procurement Division, the deals \$1,000,000 and larger must be approved by the Director for the Department of General Services (DGS), anything larger than \$10,000,000 must be approved by the State Treasurer's Office (STO) and the Director of DGS. Local Government use does not need to be approved by anybody at the State level, but must follow their own policies and procedures.
7. The Opinion of Counsel for Stat of California transactions will now be written to the Director of the DGS.

8. As specified in the DOF Budget Letter, some types of financings will require DOF approval. This will add time to the approval process. Please be patient while this approval is necessary.

9. All deals for DGS offices must be approved by the Director of DGS.

Due to these new approval requirements, approval of the financing or leasing process may take up to considerably longer than in the past. Please keep this in mind when requesting financing/leasing assistance.

Please call the [\\$Mart Manager](#) if you have any questions.