

CITY OF HEMET
Employee Personal Computer Lease
Purchase Program

In an effort to improve and promote computer literacy, experience, and improve productivity among current and future City of Hemet employees, it is recommended that the following computer loan program be implemented. This program would include the following:

- 1) The maximum amount loaned during the lease repayment period would be: \$ 3,500.00.
 - Once the lease is paid in full the employee may apply for another computer equipment lease, not sooner than one year after repayment of the previous loan, not to exceed \$3,500.00, in accordance with these provisions.
- 2) Repayment of leased equipment would be as follows:
 - Payback will be made by payroll deduction
 - The lease will be paid back at 0% interest
 - The maximum lease repayment period shall be twenty-four (24) months or forty-eight (48) pay periods
 - Payment amount - Minimum \$ 25.00 per pay period / No maximum per pay period
 - All payments must be in equal amounts per pay period
 - The employee may choose to pay back more per pay period than the minimum amount owed as long as the employee agrees to pay that amount until the lease is paid in full
- 3) The maximum pool of funds to be leased out at any one time to City of Hemet employees would be \$100,000.00.
- 4) The use of these leased funds will be limited to provide computer hardware/software configurations that meet current industry standards such as: desktop/laptop monitor, keyboard, mouse, cd/dvd drives, printers, scanners, and computer related peripherals that are capable of running standard office applications and desktop operating systems.
- 5) All participating employees must sign a promissory note/lease purchase agreement in the amount of the lease with title to the computer equipment remaining with the City.
- 6) If an employee quits or terminates, the lease becomes due and payable in full. This may necessitate deductions from the employee's last paycheck to pay back the remaining balance of the loan. If the final check is not sufficient to cover the balance any additional remaining balance is due within 30 days.
- 7) In order to be eligible you must be a permanent, full time employee that has successfully completed probation, and must not have received formal disciplinary action during the past six (6) months of employment with the City. Applications from permanent part-time employees will be considered with a written recommendation from their department head.
- 8) Employee participation and approval will be on first come, first served basis.

- 9) In an effort to help employees purchase equipment, the Information Technology Department can suggest equipment that complies with all of the above requirements.
- 10) There are two approaches available to employees in receiving loan funds under this program:
- a) **Purchase through the City** - payments for hardware and software will be made by the City directly to the chosen vendor - vendor address must be on the Application Form. No monies will be advanced directly to the employee. Therefore the employee must produce an original invoice or proposal for payment processing.
 - b) **Reimbursement of costs to employee** - payment for hardware and software will be reimbursed to the employee provided the following documentation is attached and accepted:
Completed paperwork must be submitted within 45 days of the date of purchase.
 - If purchased at a store: Detailed store receipt including method of payment.
Cash - store receipt only Check - store receipt and copy of cancelled check
Credit Card - store receipt and copy of credit card statement
 - If purchased over the internet: Detailed internet receipt from vendor
copy of detailed packing slip and copy of credit card statement
- 11) All purchases and loan agreements must be approved by the Information Technology Manager and the Finance Director.
- 12) The annual expected costs to the City of providing this program to the City include the following:
- | | |
|-------------------------|-----------------------|
| Staff time (Salary): | \$ 1,200 per year |
| Fringe Benefits: | 960 per year |
| Interest Inc. foregone: | <u>3,000 per year</u> |
| Total Annual Cost | <u>\$ 5,160</u> |
- 13) The personal computer loan program may be defined by the IRS and the State Franchise Tax Board as a taxable benefit. Should this benefit become taxable, a miscellaneous 1099 Earnings Statement or inclusion on the W-2 will be processed annually for all participating employees.
- 14) This program can be suspended by the City Council at any time.
- 15) Minor modifications to this policy may be made administratively from time to time as the City Manager deems necessary.



**CITY OF HEMET
Employee Personal Computer
Lease/ Purchase Program
Application Form**

		Date:
Loan Type: (circle one)	Purchase through City or Reimbursement to Employee	
Name:		Employee #:
Title:		Dept #:
Dept:		Permanent: Yes / No
Date of Hire:		Full Time: Yes / No
COMPUTER ITEMS		
PRESENTLY OWNED		REQUESTING TO PURCHASE
Monitor:		
CPU:		
Printer:		
Software:		
Vendor Information:		
Name:		Address:
Total Amount Requested: \$ account # 110-1246		No. of Months Financed: *Note: Not to exceed 24 Months
Have you borrowed funds for computer equipment from the City in the past?		Yes No
If yes, how much? \$		Date Loan was paid in full:

Employee Signature

Date

APPROVALS:

IT Manager

Date

Finance Director

Date

**EMPLOYEE PERSONAL COMPUTER
LEASE/ PURCHASE PLAN
PARTICIPATION AGREEMENT**

Name: _____ **Address:** _____

Department: _____ **Employee #** _____

The above named employee ("Participant") of the City of Hemet ("City") has been provided a copy of the City of Hemet Employee Personal Computer Lease/Purchase Plan and hereby elects to lease/purchase a personal computer and certain related equipment and software ("Equipment") and participate in the financing arrangement offered under the Plan and further, agrees to and accepts the following terms and conditions:

1. The price of the equipment to be leased / purchased is \$ _____ and is identified on the attached specification sheet.
2. The City agrees to purchase the equipment for the aforementioned sum. The City agrees to thereafter lease the equipment to Participant for the monthly sum of \$ _____ for the period of _____ months. Upon payment of all lease payments, the equipment shall become the personal property of Participants.
3. In the event Participants should fail to pay all the payments as provided herein, all payments shall be deemed as rent. No interest in the equipment shall accrue to Participant and Participant shall surrender all equipment to the City on request.
4. In the event the Participant should fail to achieve an adequate level of computer proficiency as outlined in the Computer Lease Purchase Plan, the City may at its option, terminate this agreement. In such event the equipment shall be surrendered to the City and the payment schedule as provided herein shall cease. All payments made by Participant to the point of termination shall be deemed rent.
5. Participant authorizes the City to deduct \$ _____ from each paycheck of the Participant, beginning _____ and continuing each month thereafter until the lease payments identified in paragraph 2 have been paid. Participant may elect to prepay all lease payments at any time prior to the last payroll deduction.
6. Participant agrees to retain the equipment in his/her possession until all lease payments have been paid in full. Participant also agrees the usage of equipment will be limited to the Participant's own use and that of his/her immediate family and any reassignment or transfer of the equipment or this agreement will result in cancellation of this agreement. Violation of these provisions will require Participant to immediately pay to the City all remaining lease payments.
7. Upon termination of Participants from the employment of the City for any reason, the remaining amount to be paid to the City under this agreement shall immediately become due and payable. Employee hereby authorizes City to withhold from his/her final pay, including sick leave and vacation payoff, any amount remaining under this agreement.

Continued

**REF: EMPLOYEE PERSONAL COMPUTER
LEASE/ PURCHASE PLAN
PARTICIPATION AGREEMENT**

8. All warranties, service or maintenance contracts shall be between the vendor and the Participant. Participant shall deal directly with the vendor and in no event shall Participant look to the City for any claims relating to warranty, service or maintenance.
9. This agreement may be changed only by a written document signed by the City and the Participant and supersedes any and all written or oral agreements, proposals and communications concerning the Plan.
10. In the event either party hereto brings any suit against the other party to enforce any rights under this Agreement, then the prevailing party in any such suit shall recover from the other party its reasonable Attorneys' fees and costs incurred in connection therewith.

ACCEPTED BY:

Participant

Date

For the City of Hemet
Finance Director

Date

NOTICE:
INFORMATION SUBJECT TO INSPECTION AND DISCLOSURE
ELECTRONIC DEVICES PAID FOR OR SUBSIDIZED WITH CITY FUNDS

A recent court decision has clarified the obligation of public entities like the City to search the personal electronic devices of its officers and employees under the California Public Records Act. The same requirements apply in response to subpoena and demands for the preservation of electronic information under state or federal rules of civil procedure and evidence. In response to a public records request, subpoena, or evidence preservation request the City must search any device owned by the City, or over which the City exercises control, where the device may reasonably contain responsive information.

These requirements have repercussions for employees who previously chose, or who may in the future choose, to participate in the City's Employee Personal Computer Loan Program. By virtue of the loan, the City will be deemed to have an ownership interest and to exercise control over any electronic device (personal computer, iPod, etc.) purchased through the program until the loan is repaid in full. City employees who have outstanding loans under the program will be required allow the City to search any electronic device purchased with City loan funds where there is reason to believe information responsive to a records request, subpoena, or evidence preservation request is contained on your device. This may result in the device being temporarily unavailable to you for the reasonable duration of the search.

The City understands and respects your personal right to privacy. However, during the process of searching for and disclosing responsive public information contained on your electronic device, City officers or employees, some of whom may be mandatory reporters under the law, may come in contact with your private information. While the City will take reasonable steps to preserve your privacy and to avoid unnecessary disclosure of private information, you are encouraged to take reasonable steps on your behalf. The best practice is not to mingle private and public information together. If feasible, use one device for private matters and another device for work matters. Clearly separate work related information from private information and do not store work related information on your devices hard drive. You may repay your loan in full at any time during the term. Once your loan is repaid then the device is considered a wholly private device in which the City has no ownership or control.

ACCEPTED BY:

Participant Signature

Date

4/9/2014