

Instructions for DPB Form L-2 Summary of Existing Capital Outlay Leases

This form summarizes data about contractual obligations associated with certain existing lease arrangements for your agency. This submission will be used to update information on existing debt in the Commonwealth.

You must complete a DPB Form L-2 if your agency has existing leases that meet certain criteria even though your agency may not be requesting any new capital outlay projects or capital outlay leases in the upcoming biennium. (Note: You may wish to review the information your agency previously submitted to DPB when completing this form.)

You should list, as a separate project, each lease your agency or institution had in effect on July 1, 2000 to acquire the use of real property or equipment if the lease meets both of the following criteria:

- The lease acquires property (real or equipment) for your agency's use which has a cost of \$250,000 or more, and
- The lease, at the time it was originally executed, contractually obligated your agency or institution for a period of more than five years including any lease for a shorter period of time if it was (or is) subject to automatic renewal, at the option of the lessor, which extended (or may do so in the future) the original lease beyond five years.

For agencies other than institutions of higher education, this reporting requirement applies to all existing leases that meet the above criteria, regardless of the source of funding (i.e., general fund, special fund, federal trust fund, etc.). For institutions of higher education, this reporting requirement applies only to existing leases financed from educational and general (program) funds.

Institutions of higher education do not have to report any leases financed from auxiliary enterprise or sponsored program funds unless educational and general (program) funds are pledged as a backup source of financing within the contractual terms of the lease. If the lease is for property which is used jointly by educational and general programs and auxiliary enterprises or sponsored programs, it should be reported on the DPB Form L-2 if the portion of the property utilized by educational and general programs has a cost estimated to exceed \$250,000 and the lease is for a period of greater than five years (including any renewal periods at the option of the lessor). The educational and general portion of the lease may be estimated by multiplying the total cost of the property times the percentage of the property used by educational and general programs (based on assigned square footage of the property, time of usage devoted to educational and general programs, etc.).

Item 1. **Agency Name.** Enter your agency's name.

Item 2. **Agency Code.** Enter the three-digit agency code for your agency.

Item 3. **Name of Person to Contact about this Form.** Enter the name of the person who should be contacted about information supplied on this form.

- Item 4. **Contact Person's Telephone Number and E-mail Address.** Enter the telephone number and e-mail address of the contact person.
- Item 5. **Project Title.** Give each project a clear, descriptive title. If the project is included in the current or a prior Appropriations Act, please use the same budget title as listed in that Act. Also enter the project code in parentheses after the descriptive title if a capital project code has been assigned to the project.
- Item 6. **Project Description.** Provide a brief description of each reported project lease including: type of property acquired (land, building, equipment, etc.), the location of the property (street address, city, or county), the amount of leased space (acreage for land, square footage for buildings), the age of the property (if new, enter "new"), and other information you deem appropriate to clearly describe the project.
- Item 7. **Name of Lessor.** Provide the name of the person, company, or entity which will make the property available to your agency through the proposed lease arrangement. Normally, this would be the current owner of the property.
- Item 8. **Time Period.** Enter the effective date and duration of the lease. This is the date the existing lease was originally executed (signed) and, if it was authorized in the current or a prior Appropriations Act, the chapter number, the item number and the page number of where the Appropriations Act authorization can be found. Also, indicate the duration of time (e.g., 20 years) for which your agency obligated itself to make lease payments. State whether the initial lease is subject to periodic renewal and whether the renewal is at the option of the lessor, the lessee, or both. Finally, specify the total length of time the lease is extended by any renewal action.
- Item 9. **Annual Lease Payments.** List the fund/fund detail code for each source of funds that make a lease payment for each reported project. For each fund/fund detail, enter the annual dollar amount to be paid for lease payments. After all fund sources have been listed for a given project, enter the words "Project Total" in the "Fund Source" column and sum the individual dollar amounts listed for each fund source in the "\$ Amount" column.
- If the lease payment is a lump-sum amount for a specific duration of time, divide the total lump-sum payment by the total number of years covered by the lease to calculate an equivalent annual lease payment. If the lease payments vary in amount year by year, provide a separate schedule showing the annual payments by fund source for the duration of the lease and enter "See attached" in this column.
- Item 10. **Property Acquisition.** State whether there is any option for your agency to acquire title to the leased property at any point during the duration of the existing lease and at what point that option is available (e.g., "the property may be acquired at the option of the lessee for \$1 when the lease expires in 15 years."). Also indicate if the property will automatically convey to the Commonwealth's (your agency's) ownership at some point during the term of the lease or if it may be purchased at a given price within a specified time frame. Try to describe any option your agency obtains to acquire title to the leased property as clearly as possible.