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**Susie Walters**  
Commissioner

## **Employee Computer Lease/Purchase Program Adopted by BOC 06/27/12**

- I. Purpose:** To establish a policy of assisting employees in acquiring and sharpening computer literacy skills by providing interest free loans to acquire personal computer equipment and software similar to what employees may be asked to use for Town business. This policy details the terms and conditions of agreements between the town and participating employees whereby employees may lease such equipment from the Town and acquire ownership of the equipment at the termination of the lease.
- II. Organizations Affected:** All departments/divisions.
- III. References:** Subject to Approval by the Board of Commissioners during the annual budget process.
- IV. Policy:** The policy of the Town of Nags Head is to encourage employee development of computer literacy skills because of the acknowledged significant contribution of such skills to improving services to the public. The Town therefore offers to lease computer equipment and software similar to what employees may use in performing duties for Town business for employees' personal use. At the successful completion of these lease payments, employees shall acquire ownership of the equipment and software.

To participate in the program, the employee must agree to all terms and conditions set forth in this regulation. The employee must maintain an adequate vacation and/or comp-time balance sufficient to cover the outstanding balance for the duration of the loan. Should the employee terminate employment with the Town of Nags Head prior to the completion of the lease period, the employee agrees to pay the balance of the lease payments either through deductions from the final paycheck or through the balance of accrued vacation and/or comp time.

Should the employee return such computer equipment or software to the vendor, sell or dispose of the equipment or otherwise render the equipment or software unavailable for employee's use, the balance of the lease payments shall become immediately due and payable to the Town, and if not paid within 30 days of such return or disposal, shall be deducted from the employee's paycheck. Failure of an employee to inform the Town of such conversion of equipment or software may be grounds for discipline.

## **V. Terms and Conditions:**

- A. The sum of the lease payments will equal the cost to the Town of acquiring the equipment or reimbursing for acquisition by an employee, inclusive of freight and taxes (including out of state sales tax). The employee will be responsible for acquiring any additional installation and training services as needed. The lease will not include the cost of such services.
- B. Employees will make lease payments through payroll deductions each bi-weekly pay period, beginning with the pay period following delivery of the equipment. The number of payments may not exceed 52 (i.e., 2 years). Employees may elect to make additional payments at any time to reduce the amount of the payment or reduce the number of payments to complete the lease.
- C. The term of the lease will not exceed 2 years. Employees may normally terminate the lease by payment of the balance of the lease payments: not by return of the equipment. Exceptions to this policy may only be made for hardship situations and must be approved by the Town Manager based upon the best interest of the Town.
- D. An individual employee may lease a single computer system, not to exceed \$1,500.00 in cost. Employees may not assign or transfer their rights to the equipment during the term of the lease without prior written approval by the Town Manager or designee.
- E. Because the purpose of the program is to encourage employee investment in developing computer skills which they are likely to use for Town business, purchase requests will be reviewed by the Town Manager to assure that the type of equipment and software purchased will be useful in developing skills which the employee will use, or might be called to use, on the job.
- F. Participating employees must submit the following to the Town Manager, prior to purchase of equipment or software:
  1. Request to Participate in Employee Computer Lease/Purchase Program (Form A).
  2. Equipment and software description or itemized vendor price quotation.
  3. Employee Computer Lease/Purchase Agreement (Form B) must be signed by both the employee and the Human Resources Director.

The Town Manager will review the information and notify the employee of approval. The employee may then purchase the equipment or software and submit detailed receipts to the Town Manager for reimbursement, or IT will purchase the equipment for pickup by the employee. No reimbursement will be made for equipment or software purchased prior to approval by the Town Manager. Participating employees are responsible for equipment servicing and maintenance and must maintain the equipment in good condition.

- G. Participating employees must respect the terms of the software licenses which the Town has obtained for Town business. Usually, the significant terms are:
  1. The software may be used by any number of people on any number of computers, but only one computer and one user for each license at a time.

2. Employees may not duplicate the software or documentation for any purpose other than backup and archiving except as permitted under the terms of the license.
- H. Only regular employees of the Town are eligible for participation in the program. The Town retains the authority to disqualify any employee from participation in the program for any stated reasons (such as, but not limited to, un-credit-worthiness, insufficient vacation and/or comp time to secure the loan, employee on probationary status, lack of any potential benefit to the Town, etc.) which are in the best interests of the Town.

**VI. Responsibilities:**

1. The Employee will:
    1. Read and agree to the terms and conditions of the lease program as described in this Administrative Regulation prior to participating in the program
    2. Prepare requests (Form A), specifying brand and type of equipment.
  2. The Town Manager will:
    1. Review requests and determine if equipment and software requested conforms to the purpose of the program.
    2. Determine if sufficient funds are available for meeting the requests. If not, hold the request until funds become available and process in the order received.
    3. If the employee chooses, order the equipment or software through Purchasing.
    4. Forward approved requests to the Human Resource Director.
  3. The Information Technology Coordinator will:
    1. Process the orders and notify the employee of pickup arrangements when the order has been received.
  4. The Human Resource Director will:
    1. Obtain and witness the employee signature on payroll deduction agreement (Form B).
- E. Purchasing will:
1. Issue a reimbursement check. In the case where the employee has purchased the equipment.
  2. In the case where the Town purchases equipment for an employee, inform the Human Resource Director of the total amount of all invoices

regarding the Purchase Order generated from this Agreement.

F. The Human Resource Director will:

1. Compare the total amount of all invoices regarding the Purchase Order generated from this agreement with the estimated cost total on Form A and the payroll deduction amount.
2. If the amounts differ, have the employee sign amended amount of the computer lease agreement on Form B.
3. If these amounts are the same, initiate deductions by payroll deduction entries.
4. Credit deductions to an account established for funding purchases for the employee lease/purchase program.

**FORM A**

**TO: TOWN MANAGER**

**FROM:** \_\_\_\_\_

**SUBJECT: REQUEST TO PARTICIPATE IN EMPLOYEE COMPUTER LEASE/PURCHASE PROGRAM**

I have read and understand the terms and conditions of the Administrative Policy on Employee Computer Lease/Purchase Program and I wish to participate. I request that the Town (choose one):

\_\_\_\_\_ Purchase the equipment described below on my behalf. **(See Below)**

\_\_\_\_\_ Reimburse me after I have made the purchase and submitted an itemized vendor's receipt I understand that this request must be approved by the Town before I purchase the equipment **(See Below)**

Equipment and Software  
(or attach vendor itemized price quote)

Est. Cost

TOTAL \_\_\_\_\_

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Employee Signature)

\_\_\_\_\_  
(Date)

APPROVED: \_\_\_\_\_  
(Town Manager)

\_\_\_\_\_  
(Date)

APPROVED: \_\_\_\_\_  
(IT Coordinator)

**FORM B**

**EMPLOYEE COMPUTER LEASE/PURCHASE AGREEMENT**

I hereby acknowledge requesting participation in the Town's Employee Computer Lease/Purchase Program and I agree to be bound by the terms and conditions of the program as described in the Computer Lease/Purchase Agreement. I hereby agree to lease computer equipment from the Town in an amount totaling \$\_\_\_\_\_ (not to exceed \$1,500). I agree to make lease payments to the Town of Nags Head in the following manner:

Payroll deduction in the amount of \$\_\_\_\_\_ equally divided over the course of\_\_\_\_\_pay periods (maximum 52 periods) equals \$\_\_\_\_\_ per pay period.

Should the final invoice amount be different from the above total I will be notified and this agreement will be amended accordingly.

Total amended amount financed \$\_\_\_\_\_. I agree to the amended amount of the computer lease agreement. \_\_\_\_\_.

Employee Signature

Date

I understand that I must maintain an adequate vacation or comp-time balance to cover the outstanding balance of the computer loan at all times. Should I terminate my employment with the Town of Nags Head prior to the completion of my repayment obligation, I understand the remaining balance will be deducted from my final paycheck. At the completion of these payments, I will acquire title to the equipment under lease. I understand I have the responsibility for installation, setup, servicing, and maintenance of this equipment, and I will keep the equipment in good working condition for the term of the lease.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Employee's Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Human Resource Director)

\_\_\_\_\_  
Verified Leave Available

Do not write below this line (for accounting purposes only).

Processed by Accounts Payable with check #\_\_\_\_\_ in the amount of \$\_\_\_\_\_.

\_\_\_\_\_  
A/P initials

First Payroll deduction \_\_\_\_\_, in the amount of \$\_\_\_\_\_  
Date

\_\_\_\_\_  
Payroll Initials