

**MARION COUNTY
ADMINISTRATIVE POLICIES AND PROCEDURES**

Sponsoring Department:
General Services

SUBJECT: LEASING EQUIPMENT FROM EMPLOYEES

1.0 Purpose

This establishes a policy and procedure necessary to lease equipment from employees of Marion County.

2.0 General Policy

The Board of Commissioners does not approve of leasing equipment from employees of Marion County, except in a severe emergency, such as a natural disaster, when no other reasonable alternative is available.

3.0 Policy Guidelines/Procedures

a. Establishing Need

- (1) Department Heads must establish that equipment is not available from county equipment pools, is not practical to buy, or, if equipment is on order, that circumstances render waiting until delivery impractical.
- (2) Department Heads or designee, must be able to establish immediate need, and that reasonable alternatives are not available.

b. Establishing Economy of Lease Rate

- (1) Department Heads must be able to document that the lease rate paid to employee/lessor:
 - (a) Is less than or equal to competitive and available rates.
 - (b) Does not include any charge whatsoever for operator time or wages or fringe benefits.
 - (c) Is fully burdened with the costs of all risks that would be borne by a commercial rental business, such as insurance, maintenance, etc., and that additional payments to the employee/lessor -- exclusive of lease payments -- for such insurance, maintenance, etc., will not be authorized.

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- (2) Marion County will not pay an unreasonably high lease rate; it shall be adjusted even if the Department Head or designee has made a verbal commitment for a higher rate.
- (3) To support payment, Department Head must submit written justification as per 3.a.2 and 3.b.2. above. Copies of these shall be submitted with the fund claim for payment.
- (4) All payments to employee/lessors will be reported to the IRS via 1099 form at the end of the year.

Adopted: 1/85
Revised: 1/96