

Dixie State University Policy

138 Lease or Rental of Property for College Use



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I. Purpose

- 1.1 To outline college policy regarding the lease or rental of property for college use.

II. Leases of Real Property

- 2.1 No Lease or rental of real property, including any interest in land, buildings, office space, laboratory space, storage space, shall be binding upon the college, unless the provisions of this policy and procedure are satisfied.
- 2.2 Any request for leasing, or for the extension or renewal of a lease of real property for college purposes must be submitted and processed as follows:
 - 2.2.1 A written request shall be submitted by the requesting department head, principal investigator, director, or other officer through the direct line of administrative authority to the appropriate vice president. This request must include or be accompanied by the following information:
 - 2.2.1.1 A description of the real property proposed to be leased or its general location and character.
 - 2.2.1.2 An explanation of the need for such space.
 - 2.2.1.3 A detailed factual justification for entering into a lease.
 - 2.2.1.4 A statement addressing the adequacies of power supplies, air handling equipment, and general physical structure and floor plan. Estimated costs of any modifications or remodeling necessary to meet user needs should also be included, indicating proposed sources of funding for any such modifications or remodeling.

- 2.2.1.5 A letter from the Director of Physical Plant & Campus Planning or designee commenting upon. And making recommendations relative to, the proposed lease and the availability of space in existing facilities to meet the described need in a timely manner.
- 2.2.1.6 A proposed lease agreement (a standard lease form used by landlord may be acceptable) which includes, among other things, the following:
 - 2.2.1.6.1 Monthly rental
 - 2.2.1.6.2 Term of Lease
 - 2.2.1.6.3 Responsibility for utilities, maintenance, snow removal, custodial, grounds care, etc.
 - 2.2.1.6.4 Parking arrangements
 - 2.2.1.6.5 Responsibility for structural and roof maintenance and repairs
 - 2.2.1.6.6 Responsibility for insurance of structure, operation and general liability insurance
 - 2.2.1.6.7 Responsibility for property taxes, other taxes and assessments, ownership of any improvements made
 - 2.2.1.6.8 ADA compliance
- 2.2.2 Upon approval by the appropriate vice president of any lease or extension or renewal of any lease, the appropriate vice president shall forward to the President, for review and evaluation, the following information:
 - 2.2.2.1 The initial request and other information required under 2.2.1.6 above.
 - 2.2.2.2 A letter of approval from the appropriate vice president, including a statement identifying the proposed source of funding for lease costs, if the lease is approved.
 - 2.2.2.3 If the President, after review and evaluation of the request and supporting justification and documentation, approves the proposed lease, appropriate implementing steps shall be

undertaken pursuant to 2.2.2.4. If the President concludes that the proposed lease is not in the best interests of the college, he/she shall discuss the reasons for that conclusion with the vice president who originally approved the request. The request to lease space must reach the President at least 30 days before the commencement of the proposed lease term.

2.2.2.4 Any lease duly authorized under 2.2.2.3 shall be negotiated and executed, under the direction of the President, in accordance with applicable requirements of the Utah Procurement Code, 1953 Utah Code Annotated SS63-56-1 et seq., as amended, with approval of the Institutional Council and the Board of Regents. After approval as to form by the attorney general, the lease may be signed by the President or designee for and in behalf of the college, and thereafter shall be binding on the college.

2.2.2.5 The President may prescribe forms and operating instructions relative to leases of real property as may be necessary or appropriate to carry out the purposes of this policy and procedures statement.

III. Leases of Equipment or Other Type of Property

3.1 Only the President can enter into lease agreements in behalf of the College.

3.2 Requests for lease agreements relating to equipment or other types of personal property must be submitted and processed as follows:

3.2.1 A written statement must accompany the request (all such requests, together with the written approval of the appropriate vice president, shall be forwarded to the President.), setting forth the following information.

3.2.1.1 The need for the equipment, together with a declaration that after reasonable investigation, the requesting officer has determined that similar equipment, or equipment of equivalent capability, is not currently available for use elsewhere within the college.

3.2.1.2 Justification for proposed lease, including a comparison of lease costs with purchase costs, and stating the estimated interest cost associated with leasing, calculated on a simple interest basis.

3.2.1.3 Alternate methods of financing, other than leasing, which have

been investigated, and the relative merits of such methods.

- 3.2.2 After evaluating the request, the appropriate Vice President will forward it to the President together with his/her comments and recommendations. If the President concludes that the proposed lease is in the best interests of the college, implementing steps shall be taken pursuant to 3.2.3. If the President concludes that the proposed lease is not in the best interest of the college, he/she shall discuss the reasons for the conclusions with the vice president who originally approved the request.
- 3.2.3 Any Lease of equipment or the personal property duly authorized under 3.2.1.3 shall be negotiated and executed, under the direction of the President, in accordance with applicable requirements of the Utah Procurement Code, 1953 Utah Code Annotated SS63-56-1 et seq., as amended, and implementing college regulations.

IV. General Provisions Relating to Leases

- 4.1 All leases for which payments are or may be made, in whole or in part, from funds controlled by the college, including funds derived from federal grants and contracts, shall include the following clause:
 - 4.1.1 It is understood and agreed that this agreement does not obligate Lessee to make any payments hereunder except from funds currently available for the purpose, or from time to time appropriated to Lessee by the Utah State Legislature, or allocated by the federal government in the form of grants or contracts for such purpose. This agreement shall not in any way be construed to create a general obligation of the state or federal government, nor to impose any obligation upon either the state, the federal government, or the Lessee not authorized by law.
- 4.2 Unless authorized by President, long-term (one year or longer) leases to own or lease purchase plans are not permitted as substitutes for capital equipment purchases made with general funds provided through regular academic and administrative operating budgets. When funded through federal grants or contracts, an acquisition of capital equipment through a lease purchase plan requires the prior written approval of the funding agency, and the President.
- 4.3 Requests for renewals and extensions of leases that provide for total payments of more than \$8,000 during any fiscal year, included in whole or in part within the stated terms of the lease, shall be submitted and reviewed by the President in the same manner and under the same standards as the original lease

requests.

4.4 The Business Office shall maintain a copy of all leases.

Policy Owner: General Counsel

History:

Approved 6/7/96