

**701.2 SUBJECT: COMPUTER PURCHASE PLAN**

:1 OBJECTIVE:

The objective of the Employee Computer Purchase Plan is to elevate the computer literacy of full-time, permanent part-time, and contract City employees and thus improve their performance on the job through encouraging the purchase and use of home computers and software that are consistent with City equipment

:2 AUTHORITY:

This procedure amended by City Council on September 15, 2003.

:3 DIRECTION:

Department Directors, Office Heads, and Division Managers.

:4 METHOD OF OPERATION:

A. General

Financial assistance may be available to all permanent, permanent part-time and contract City employees who seek to improve their computer knowledge by purchasing home computer equipment that is consistent with City equipment. The Technology Management Division shall administer the computer loan program for all eligible City employees.

B. Eligibility

Employees assigned to permanent, permanent part-time, or contract positions who have completed their probationary period are eligible for a loan under this program. Participants must agree to comply with the requirements and provisions of the plan. Participants will be eligible to make an initial purchase and/or finance upgrades to their systems through this plan, up to the established loan limit. Those employees who purchase a computer at home will be eligible to upgrade their systems through this plan, up to the established loan limit.

Loan requests will be processed during the first week of every month on a first-come, first-served basis, as funds become available. Participants may not apply for an additional loan until their current loan is paid in full.

C. Loan Limit

Employees may choose an interest-free loan and fifteen (15) hours of volunteer service to an eligible community service organization (no such service shall be performed to the City of Orlando) per year for the life of the loan, or a loan at three (3%) interest per year with no volunteer service. This volunteer time will not count towards the Orlando M.E.R.I.T.S. Employee Volunteer Recognition Program (see the City's Volunteer Coordinator or designee regarding eligible organizations). Repayment will be calculated over a 24- or 36-month period at the participant's election. If, at the end of the term of the loan or termination of employment for any reason, the volunteer hours have not been met (as verified by the City's Volunteer Coordinator or designee), interest in the amount of three percent will be assessed on the entire loan amount and immediately deducted through payroll deduction.

A maximum of \$3,000 will be loaned for systems determined to be compatible with or similar to current City micro-computer systems. Eligible upgrade(s) purchased under this plan to a currently owned computer must be compatible with or similar to current City micro-computer systems.

Once the original loan amount is repaid, employees are eligible for another loan. A second or subsequent loan will not be made until the existing loan is repaid. Should funds be limited and more employees for loans than there is money available, an employee will not be permitted to have a second or subsequent loan until all first time requests are satisfied.

D. Loan Payments

Loan payments will be made through payroll deduction on a weekly (52 periods) or biweekly (26 periods) basis. Loans are due and payable in full should an employee's services be terminated, voluntarily or involuntarily, for any reason.

Loans will be made for a period of 24 or 36 months. Once the selection of term is made there will be no changes. On loans made after September 1, 1998, no partial payments will be accepted. Prepayment in full only will be accepted through Centralized Revenue. Receipts showing payments must be sent to City Payroll for the account to be credited. Payroll deduction will begin the first payroll after the check date, regardless of when the employee receives the check. Interest amortization begins the day following the date of the check.

E. Application Procedure

1. Employees desiring to participate in the computer loan program shall first complete the "Computer Purchase Loan Application." Technology Management will inform the employee of all the terms and conditions of the Computer Purchase Loan Agreement and Note (Form 701.2.1) that will be signed upon receipt of the check.
2. Once the employee is notified that funds are available, he/she must update the Computer Purchase Loan Application and obtain a price quote(s) from the vendor(s) for the hardware and software to be covered by the program. The signed application, along with the price quote(s) will be forwarded to the Technology Management Division. If the documents are complete, the Technology Management Division will date and time stamp the document.
3. The Technology Management Division will review the proposed equipment to be purchased to determine that it is consistent with the type of equipment utilized by the City. If approved, the Technology Management Division will process check request(s) to Accounting. Checks will be joint checks, payable to the employee and the vendor.
4. When the check is cut, Accounting will notify the employee to pick up the check(s) and the employee may then purchase the equipment. At the time the check is picked up, the Computer Purchase Loan Agreement and Note (Form

701.2.1) and the Truth in Lending Statement must be signed and notarized. If,

for any reason, the employee elects not to accept the check, he/she must so state in writing.

5. The original Computer Purchase Loan Agreement and Note (Form 701.2.1) and the Truth in Lending Statement will be retained by Accounting, a copy will be retained by Payroll, a copy to TMD, a copy provided to the employee, and a copy will be placed in the employee's personnel folder.

F. Loan Agreement and Note

A written agreement between the City and the participant is required. The Loan Agreement and Note (Form 701.2.1) and the Truth in Lending Statement will outline the responsibilities of the participant, terms of the Agreement, payroll deduction arrangements and other conditions of the plan.

G. Equipment Usage and Disposal

Each participant in the plan agrees that usage of the equipment and software made available under this plan will be restricted to the participant's own use and that of his/her immediate family living with him/her. Employees may not dispose of the equipment until the loan is repaid in full. If equipment is returned to the vendor and a refund issued, the City's loan must be repaid immediately.

H. Violation of the Agreement

Should any part of the agreement or this policy 701.2 be violated by the participant, all loan funds outstanding will become immediately due.

I. Potential Income Tax Consequences

Participants in the Plan should be aware that certain legislation has been passed which could potentially cause the interest (foregone by the City) to be treated as income to the employee for tax purposes in the year the loan was made. Participants should refer such tax questions to their own tax advisor.

J. Protection Against Damage and Theft

We recommend participants in the plan ensure that their home insurance policy provides adequate protection of their equipment from theft, fire, flood, and lightning. The City does not assume any liability for damage or theft of equipment.

:5 FORMS:  
None.

:6 COMMITTEE RESPONSIBILITIES:  
Not applicable

:7 REFERENCE:  
This procedure adopted by City Council July 7, 1997, Item 10-DD; amended August 11, 1997, Item 6A; amended August 31, 1998, Item 3K; amended April 3, 2000, Item 2PPP; amended September 15, 2003.

:8 EFFECTIVE DATE:  
This procedure effective September 15, 2003.