



Copiers: Optimize Savings using the *HCESC/KS Bank Small Ticket Tax Exempt Lease Purchase (TELP)* State Approved Co-op Program  
Copier Lease Questions and Answers



Q: *We have always leased our copiers from our vendors, what is the best way to use the TELP to save money on our copier expenses?*

A: The greatest savings when acquiring copiers comes from good planning by grouping all of your copier acquisitions to once a year. In theory this is great but in the real world there are a number of acquisitions a year.

Here are our suggestions in best structuring your copier purchase under the TELP Program:

1. Obtain the sales price of the copiers you want to acquire.
2. Maintenance and Supplies: You know the historical number copies that the units are purchasing will be printing. Instead of having your copier vendor quote you the routine monthly maintenance and supply charge, ask them to quote you an up-front lump sum payment for the term of your lease purchase. *(The vendor will get their maintenance and supply money up front, remember a dollar in hand today is worth more than a dollar in the future, so your vendor should give you a substantial discount for the upfront payment for supplies and maintenance contract.)*
3. Use the total dollar amount for both the purchase of the copiers and supply/maintenance as the dollar amount you will finance.

Q. *My copier vendors usually take our old copiers back and the end of the term what will I do with my old copiers?*

A. There should be no change in your new vendor disposing of your old copiers if you so desire. Let's face it they want to sell you a new unit. Even when you buy a new mattress

for your home the store will haul your old one away. Your new copier vendor shouldn't give you a problem in disposing or trading in your old copiers.



Q: *We have always leased purchased our Copiers using the vendor's financing programs. How does the HCESC/KS StateBank TELP Program help us save money over the manufactures financing offerings?*

A: The vendor financing programs available for copiers are an accommodation and a profit center for the manufacturers or vendors. Historically the interest rates associated with these programs have been much higher than the rates obtained by the competitive bidding process. The NJ State Approved Cooperative Pricing System #34HUNCCP has designed conducted awarded HCESC Bid

# 18/19 TELP which the HCESC/KS StateBank TELP Program is offered through. This competitive process has yielded extremely competitive interest rates.

Q: *Is the documentation for these Lease Purchase transactions compliant with N J laws and statutes?*

A: Yes, the documentation for the TELP Program was reviewed by the firm of McManimon, Scotland and Baumann, LLC. They are respected bond and special counsel here in New Jersey. The documentation is designed specifically for New Jersey governmental entities qualified to enter into tax-exempt financing.

*In the past we have just signed a "snap-out" lease agreement in the past for these types of transactions; why are there additional documents associated with the HCESC/KS StateBank TELP Program?*

A: The documentation for the TELP includes the lease purchase, a certification and resolution of your governing body. The traditional "snap-out" forms that have been used in these size transactions have included references to actions to be taken by your governing body which, by virtue of signing you are attesting have, or will have, taken place and that the transaction has been authorized via resolution. In crafting the TELP Program documentation we have endeavored to insure that all applicable State and Federal laws and statutes are complied with to protect our Members, the bank and the tax- exempt status of these transactions.

Q: *Can our attorney modify the documentation package we receive from KS StateBank in connection with these transactions?*

A: The documentation for these transactions may not be modified. Please understand that in order to obtain the low interest rates associated with this program the documentation has been pre-negotiated and standardized.



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