



School Leasing Pack



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Leasing FAQ's

Is leasing the right option?

As part of the normal process when acquiring new equipment you should compare the cost of leasing with the cost of purchasing. Where leasing offers better value than cash purchase, leasing is an appropriate option.

Types of Lease

Under the accounting standards there are different types of leases that you may have heard of. These are

Operating Leases and **Finance Leases**.

Schools need to ensure that before they sign any lease it is an Operating Lease and not a Finance Lease. Generally speaking, under an Operating Lease you will pay back less than the cost of the equipment and under a Finance Lease you'll pay back more than the cost.

What information should I be asking for?

Before you can test whether a lease is an Operating Lease, or is indeed offering value for money, you need three key pieces of information:

- What is the Purchase Price of the equipment?
- How much the lease rentals will be?
- What residual value has been taken?

If the lease cost includes maintenance/services, you need to ask a split in the rental to see how much you will be pay for use of the equipment.

How long should I lease for?

The lease period should match the period of time you expect to keep and run the equipment. Ideally, lease periods should fit in with asset replacement programmes. The shorter this period, the less likely it will be for you to be leasing equipment in the future that is no longer fit for purpose or outdated.

End of lease options

At the end of an Operating lease there are three main options and you will need to determine which is right for you and offers best value. At the end of lease you can

- Return the assets
- Extend the lease into a secondary period
- Buy the assets (via a third party)

The earlier you start the process of deciding what to do at the end of lease, the more option you will have open to you.

Upgrades

During a lease, a school (with the input of a supplier) may look to upgrade their equipment before the end of their existing lease agreement. In almost all cases, the upgrade will cost more in the long term than running with the existing lease and equipment. It's key to remember when you upgrade early you are paying for two pieces of equipment but may only be getting the use of one.

Contractual terms to be aware of

Notice Periods -

A number of lease agreements will contain minimum notice periods at the end of the lease. Anyone leasing equipment should be aware of these and act well in advance of the notice period to avoid their leases rolling into a secondary period where this may not be the preferred or cost effective option.

It is advised that you send a notice letter as soon as the lease starts (via recorded delivery). There is a notice letter template in the appendix that can be used.

Lease Arrangement / Facility Fees -

A number of leasing companies will include documentation fees and/or annual facility fees payable by the lessee. There are a number of leasing companies in the market that do not charge these fees so before you sign a lease ask what other charges will be applicable

Link's Schools Leasing Support

Schools may obtain lease quotes from the suppliers when requesting the equipment quotes. Schools should comply with the requirements of their relevant financial regulations and financial thresholds outlined by their Authorities procurement department unless the School's own Governing Body has established their own guidelines.

Link Group can analyse these quotes **free of charge** to ensure they are qualifying operating leases, as well as value for money.

When obtaining a lease quote directly from the supplier, you should ask for:

- The outright Purchase Price of the equipment, excluding VAT
- The Lease Term (2, 3, 4 years, etc)
- The Payment Schedule (monthly, quarterly, annual) • The Lease Rental, excluding any maintenance costs.
- The Residual Value of the Equipment at the end of the Lease Term (e.g. How much it is assumed the equipment will be worth at the end of the lease)
- Details of any other applicable costs or charges
- A copy of the Terms and Conditions of the Lease Agreement

This information should then be emailed to Christopher Bann at Link Asset

Services t: [+44 \(0\) 751 4976541](tel:+4407514976541)
e:christopher.bann@linkgroup.co.uk

Link Group can then undertake a review of the proposed lease arrangement and advise whether or not it would be a suitable option for the school.

If you are leasing through a framework that has already been approved by Link Group and your Local Authority then there is no need to send the lease to Link Group to review it. Please check with your Local Authority if you are unsure if a framework has been approved.

What is the School Leasing Framework (SLF)?

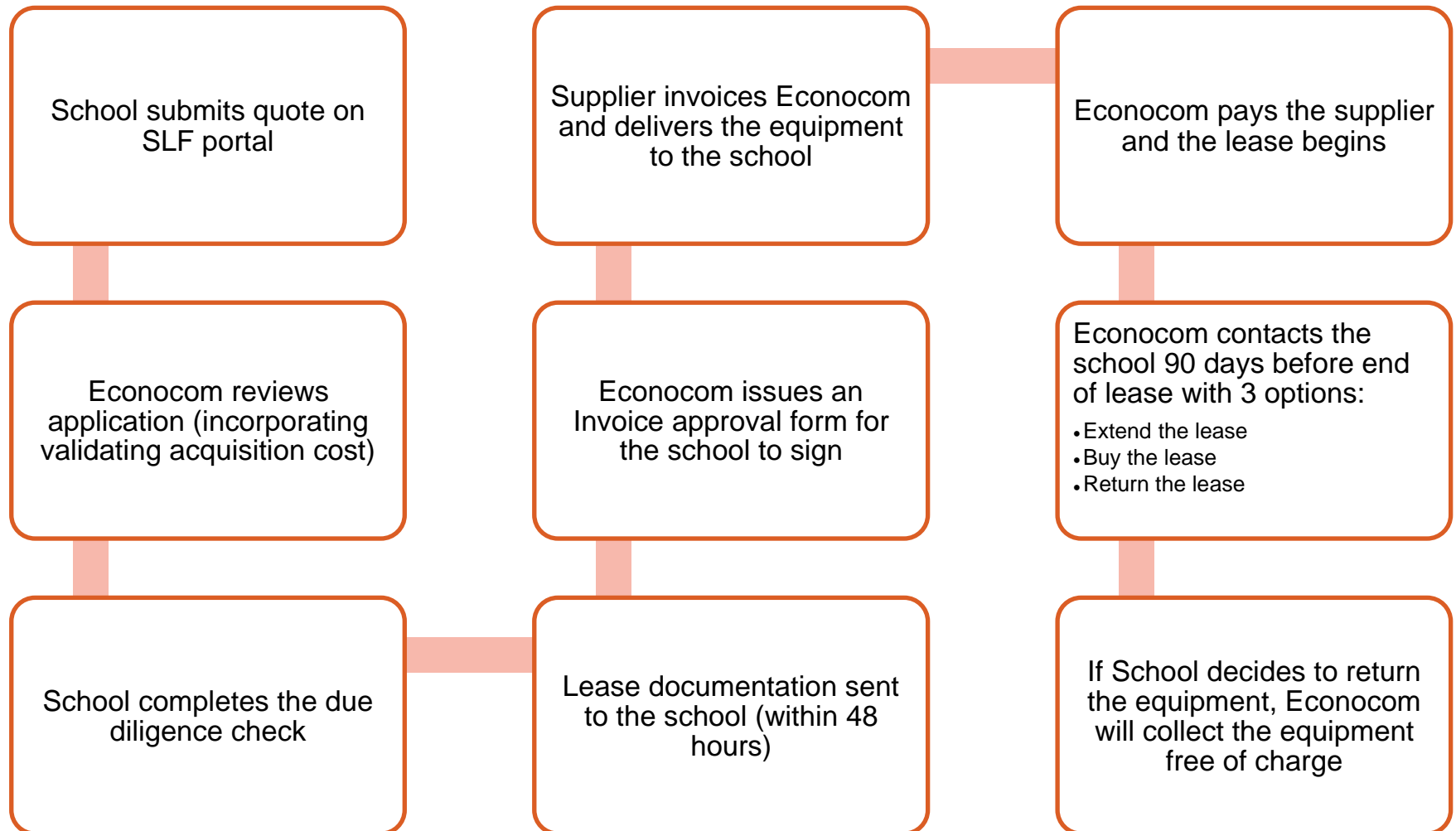
Background to the SLF

- An OJEU-compliant framework set up by Link Group on behalf of Durham County Council for the provision of operating lease facilities
- The successful supplier is Econocom plc and the framework can be used to finance any technological based equipment such as iPads, Laptops, whiteboards, telephones and MFD's
- The framework allows access to IAS 17 compliant operating leases over 2, 3 and 4 year terms
- Open to all academies, colleges, schools and universities in the United Kingdom
- A Department of Education recommended framework

Benefits of the SLF to schools

- Fully compliant IAS 17 operating leases
- School is free to choose the best assets, supplier and purchase price for their own requirements
- Eliminated the need to source leasing from suppliers which is typically more expensive
- Pre-tendered lease rates
- No documentation fees or return charges
- Pre-approved lease documentation so no nasty surprises or hidden charges
- Apply via simple web portal www.econocom.co.uk/our-activities/schoolsleasing-framework/get-quote which will give you an instant quote

The School Leasing Framework process



School Leasing Framework Guide

1. The school decides what equipment they want to lease
2. Once the school has decided what equipment they want to lease, they need to get equipment quotes from Suppliers. It is recommended that the school get equipment quotes for two or three different suppliers to ensure the School is getting the equipment for the best purchase price. The school should still follow their Authorities Procurement guidelines when requesting quotes. The school will also need to ask the supplier for the following:
 - i. The outright purchase price of the equipment (the discounted cost and not RRP / list price) excluding VAT
 - ii. The anticipated delivery date of the equipment
3. Once the School has chosen their preferred supplier, they can then go to the dedicated website for the Schools Leasing Framework at <https://www.econocom.co.uk/SLF-quote> or they can access the portal through the Department of Education website at <https://find-dfe-approved-framework.service.gov.uk/list/schools-leasing>

4. The school needs to fill in their contact information;

schools leasing framework quote

Your details

<p>TITLE *</p> <input type="text" value="- Select -"/>	<p>FULL NAME *</p> <input type="text"/>	<p>JOB TITLE *</p> <input type="text"/>
<p>EMAIL ADDRESS *</p> <input type="text"/>		

The signatory details

<p>TITLE *</p> <input type="text" value="- Select -"/>	<p>FULL NAME *</p> <input type="text"/>	<p>JOB TITLE *</p> <input type="text"/>
<p>EMAIL ADDRESS *</p> <input type="text"/>		

Your institution

<p>SCHOOL NAME *</p> <input type="text"/>	<p>LOCAL AUTHORITY NAME *</p> <input type="text"/>	<p>PHONE NUMBER *</p> <input type="text"/>
<p>ADDRESS *</p> <input type="text"/>	<p>POST CODE *</p> <input type="text"/>	

5. Select what lease term and payment frequency they would like. Once the equipment cost has been filled in a lease rental quote will appear:

Your quote

<p>ANTICIPATED DELIVERY DATE OF EQUIPMENT *</p> <input type="text" value="March 2021"/>	<p>EQUIPMENT COST (EXCLUDING VAT)</p> <input type="text" value="10000"/>	<p>TERM OF LEASE *</p> <input type="text" value="3 years"/>
<p>PAYMENT SCHEDULE *</p> <input type="text" value="Annually"/>	<p>LEASE RENTAL (EXCLUDING VAT)</p> <input type="text" value="3179.1 per year"/>	<p>SUPPLIER NAME *</p> <input type="text"/>

6. Attach the supplier's invoice and click submit

Supplier quotes

ATTACH YOUR SUPPLIER QUOTE HERE
(CHROMEBOOKS EXCLUDED) *

No file chosen

ATTACH SUPPLIER QUOTE 2

No file chosen

ATTACH SUPPLIER QUOTE 3

No file chosen

ATTACH SUPPLIER QUOTE 4

No file chosen

ATTACH SUPPLIER QUOTE 5

No file chosen

To apply for the framework, it is mandatory to have a detailed quote from your technology supplier.

Files must be less than 2 MB. Allowed file types: gif jpg png pdf doc docx odt ppt pptx odp xls xlsx ods.

7. Econocom will review the application and validate that the equipment cost is a fair value.
8. A short due diligence check will need to be completed with Econocom asking for two of the following sample documentation of the signatory to comply with FCA Know Your Customer rules:
 - i. Passport
 - ii. Driving License
 - iii. Utility Bill
 - iv. Bank Statement
9. Once the application is approved, Econocom will send out the lease documentation, which has all been pre-approved as fully compliant by Link, for the school to sign (usually within 48 hours).
10. Once the lease contract is signed, Econocom will issue an Invoice Approval Form (IAF) for the school to sign, the supplier will be issued with a purchase order number.

11. The Supplier invoices Econocom and delivers the equipment to the school.
12. On receipt of the signed IAF, Econocom will settle the supplier invoice.
13. Once the lease terms come close to expiring, Econocom will contact the school by email and by phone 90 days before the end of the lease and again 30 days before the end if there is no response to discuss the following end of lease options:
 - i. Return the equipment.
 - ii. Extend the lease for a secondary period.
 - iii. Purchase the equipment via an independent third party.
14. If the school decides to return the equipment, Econocom will collect the equipment free of charge from the school.

School Leasing Framework Case Studies

Redesdale Primary School

Redesdale Primary School, based in Wallsend, has 250+ students and 20+ teachers. The school decided to invest in new AV and IT equipment, it looked for a cost-effective solution to finance it. They opted for the Schools Leasing Framework to finance the 11 interactive touch screens and 47 Desktop PCs from their chosen supplier for 3 years and it was all set up within 24 hours from the inquiry.

Our experience of Econocom during the lease arrangement for new audio visual and ICT hardware for the school has been extremely positive to date. Systems and procedures are straightforward and intuitive, with the financial arrangements themselves proving very cost effective. I would have no hesitation recommending this company to any prospective school or commercial enterprise considering their service.

Graham Wall, School Business Manager - Redesdale Primary School

Cansfield High School

Cansfield High School, based in Wigan, is a secondary school with more than 900 students. In order to adapt to the 'new normal' in the COVID world, the school was looking for a way to deploy new PCs without damaging their cash reserves. They opted for the School Leasing Framework due to the competitive rates and leased 250 PCs for 3 years. The lease was all set up within 3 days.

Very good service from Econocom - all straight forward. All questions and queries answered when needed.

Debbie Sutch, Business Manager – Cansfield High School