



## **Administrative Guidance: AT Leasing Activities**

More and more State AT Programs are including AT leasing activities in their State Plan for Assistive Technology (AT) and reporting such activities in their Annual Performance Report (APR). AT leasing is typically conducted as a State Financing or Short-term Device Loan activity. This document provides an overview of AT leasing within the context of state level AT Act activities and data reporting.

### **Leasing Defined**

AT leasing involves a written agreement or contract by which the AT Program provides AT to a recipient for a specified time in return for periodic payments. Within the context of the AT Act, leasing is most typically structured as a “lease-to-own” agreement under which the AT is leased for a weekly or monthly payment with a target date for ownership as part of the agreement. This kind of lease can also be thought of as an extended “payment plan” for device purchase. If ownership is not the goal, leasing may be for a shorter term, e.g. month-by-month rental.

### **Categorizing AT Leasing**

AT leasing activities conducted by State AT Programs have two critical features that help identify which state level activity (State Financing or Short-term Device Loan) is being implemented.

### **Ownership of the AT**

It should be readily apparent if the agreement has a plan for transferring ownership of the device to the lessee or not. If the lease is structured for the recipient to (eventually) own the AT then it is a state financing activity. Conversely, ownership never transfers for short-term device loans.

The lease should be structured to ensure acquisition of the device on terms that the consumer can afford. This typically means an extended payment plan that results in the consumer paying for the actual cost of the device over time, with the State AT Program simply recouping their costs. In this case, the State AT program absorbs administrative costs (which may be supported with other funding) to keep the lease affordable. This kind of lease will be reported as an “other” state financing activity, either one that directly provides AT or reduces the cost of AT to the consumer.

### **Length of lease**

Leases of just a few months are best identified as short-term device loans made for the purpose of either an accommodation or a loaner device. Longer leases (e.g. a year or more) will be a state financing activity.

While there is certainly a gray area with leases that run less than a year but more than a few months, when combined with ownership determination, most should be relatively easy to categorize as either short-term device loan or state financing. There may be unique and less common situations in which a State AT Program has a longer rental period for a device that they classify as an open-ended loan under reuse.

### **Lease Data Reporting**

#### **Short-term Device Loan**

Leases that are one month up to perhaps 6 months (or month-by-month rentals) in which device ownership stays with the State AT Program are categorized and reported as short-term device loans. These leases can easily be thought of as short-term device rentals. Example: A school rents a robot for a student who is unable to attend school for a few months because of the student's short-term medical or health issues. Data collection and reporting for this device loan is done when the device is returned, the loan is completed and acquisition performance measure data is obtained.

#### **State Financing**

Leases of functionally new devices with ownership transferring to the lessee at the end of the lease period (lease-to-own) are considered "other state financing activities" that directly provide AT or provide AT for a reduced cost. State AT Programs should carefully consider the structure of the lease to determine which "other state financing" data to collect and report. If the lease is structured to enable the consumer to make payments over a time period (rather than buying the device outright or taking out a cash loan to purchase the device) but does not result in a reduced cost of the AT, it should be reported as other state financing that directly provides AT. If the lease is structured to result in an overall reduced cost of the AT device to the consumer after all the lease payments are made, then it can be reported as other state financing that results in savings to consumers. Example: A CCTV lease for \$125 for 24 months to purchase a \$3,000 device would be reported as providing vision AT for \$3,000 cost. A CCTV valued at \$2000 leased for \$100 for 12 months leading to ownership could be reported as vision AT device for \$800 in savings. Data collection and reporting for both these leases will be done only once, either when the lease is implemented or when it is done.

## **Reuse**

In the event a long-term lease does not result in device ownership it can be reported as reuse. This might apply to more expensive AT where reasonable rental payments over an entire year would not come close to paying for ownership of the device. Example: A school leases a robot for a student who is unable to attend school because of a long-term medical/health issue; the monthly lease payments for the entire school year equal a fraction of the cost of the device and the district will continue to rent the device for the foreseeable future past this school year.

Data collection and reporting for long-term lease reuse will include calculation of savings to the consumer based on the difference between the current purchase price of the device versus the actual "cost" paid by the consumer. The State AT Program will need to estimate when lease payments will end and the device will be returned to be able to project the final actual "cost" to the lessee and report the data in the APR. If an open-ended lease has just begun, the AT Program should consider deferring reporting data until the next program year if they do not have a firm projection of the number of lease payments that will be made.

Regardless of the activity in which a lease is categorized **the same acquisition performance measure data is collected** and the lease as an "event" is **only reported once in one fiscal year APR**. If savings data is calculated it must be based on the total cost to the recipient of all the lease payments, not just those payments made during the fiscal year of the APR in which that lease is reported.

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