

# FCR 35

Office of the President  
June 9, 2009

Members, Board of Trustees:

## LEASE/PURCHASE OF MEDICAL EQUIPMENT

Recommendation: that the Board of Trustees approve the \$25 million UK HealthCare Enterprise Medical Equipment Lease Pool for 2009-10.

Background: At its September 11, 2007 meeting, the Board delegated to the Executive Vice President for Finance and Administration the responsibility for managing university debt related to the lease/purchase of equipment and information technology items costing less than \$200,000. However, acquisitions of major equipment and information technology items costing \$200,000 or more where the method of procurement involves debt in the form of capitalized lease obligations will be submitted to the Board for approval. The university's Debt Committee reviews these acquisitions to assess the impact on the university's debt capacity. The Debt Committee has determined that acquisition of these items is consistent with the university's Debt Policy.

The medical equipment pool will allow funding flexibility with regard to various capital medical equipment purchases initiated by UK HealthCare during the 2009-10 fiscal year. This pool is required for cash-flow management purposes as UK HealthCare proceeds with several cash-intensive projects such as the construction and eventual build-out of the Patient Care Facility, various ambulatory care initiatives, and other major projects/initiatives. The medical equipment that may be purchased includes: surgical, radiologic, patient monitoring/bedding, laboratory analyzers/instruments, information technology, and other procedure specific equipment. The pool will be funded by UK HealthCare.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_