

**CHINO BASIN WATERMASTER
EMPLOYEE PERSONAL COMPUTER PURCHASE ASSISTANCE PROGRAM**

I PURPOSE

The purpose of this policy is to delineate the method used to assist Chino Basin Watermaster employees in purchasing Watermaster approved computer equipment and software.

II PROCEDURE

A. GENERAL:

The Employee Personal Computer Purchase Program is designed to assist employees with interest free financing of a personal computer (PC), a printer, and compatible software so that they can learn and gain experience by working with a PC away from the office, outside of normal working hours. By owning a PC, employees will be able to acquire computer literacy and become at ease with computers and current technology developments by means of "hands on" training, and will be able to enhance productivity efforts through increased use of computers in their daily departmental activities. Any new PC and/or printer is eligible as long as it is compatible with Watermaster equipment. Upgrades to existing PC systems and the purchase of used equipment are not authorized as part of this program. Compatible software packages, such as the operating system, word processor, spreadsheet, etc., may be included under this program, but are not required. The employee will pay for any other software outside of the funding available through this program.

B. LOAN LIMIT

Interest-free loans will be made in an amount that is between \$300 and \$3,000. An employee may purchase a more expensive system, but he/she must pay the balance over \$3,000, outside of the financing available through this program. The loan covers 90% of the total price of the equipment/software being purchased. The employee pays the other 10% of the purchase price at the time of the purchase.

C. DESCRIPTION OF PROGRAM

Loans will be for a term of 24 months and will be repaid through payroll deductions on a biweekly basis. No interest will be charged. Upon selection by the participant of a PC system, the order must be approved in advance by the Chief of Watermaster Services, or a designated employee, and placed with the vendor by the participant. Once the employee signs a written agreement that outlines the conditions regarding repayment of the loan, a check for the loan proceeds will be made jointly payable to the participant and the vendor. Credit cards may be used, in which case, the check will be made payable to the participant and the credit card issuing company. In no case will a check be made payable solely to the employee.

D. RESTRICTIONS ON USE AND TRANSFER OF EQUIPMENT

Each participant agrees not to transfer or sell the equipment financed under this plan until the loan has been repaid in full. Any reassignment, transfer or sale of the equipment will violate the agreement, cancel the right to participate in the program and require the participant to immediately repay any unpaid balance. Upon termination of the employee from employment with Watermaster for any reason, other than the employee's death (see below), the remaining amount due under this agreement shall become immediately due and payable. The participant agrees to allow the Watermaster to withhold the amount due under this agreement from the employee's final paycheck. Any amount due that exceeds the amount of the final paycheck is due and payable in a lump sum no later than the employee's last working day. Failure to pay any outstanding balance by the employee's last working day will result in a late penalty of 10% of the outstanding amount being charged to the employee. If, during the term of the employee's loan agreement, the

employee becomes deceased, job related or otherwise, the outstanding loan balance of the loan shall be paid off from the general liability self-insurance fund. Under these circumstances, any computer equipment/software procured with funds from the loan shall become the property of the employee's estate.

E. EQUIPMENT PROTECTION

It is recommended that participants ensure adequate insurance coverage is provided under their household goods insurance policies to protect the equipment against theft, fire, water damage, and other hazards.

F. ELIGIBILITY

To be eligible, an employee must meet all of the following conditions:

1. Be a regular, full-time employee;
2. Have completed his/her original probationary period; and
3. Not have an outstanding Watermaster Personal Computer Loan

G. LOAN PROCESS

1. The employee reviews a copy of this policy and obtains an Employee Personal Computer Loan Agreement and Application.
2. The employee obtains a detailed price quote, a catalog price sheet, or magazine ad from a vendor, and completes the Employee Personal Computer Loan Application. Participants may choose any vendor including mail order/catalog sources, and may order from more than one vendor.
3. The employee submits a completed Employee Personal Computer Loan Application along with the vendor's detailed price quotation to the Chief of Watermaster Services, who determines if there are circumstances that would preclude approval of the loan (e.g., pending litigation).
4. The Chief of Watermaster Services approval shall be based on the following requirements:
 - ◆ The equipment requested consists of no more than one (1) compatible computer and/or one (1) printer.
 - ◆ The amount requested is between \$300 and \$3,000.
5. If approved, the Chief of Watermaster Services prepares and executes an Employee's Personal Computer Purchase Assistance Program Participation and Loan Agreement, which is forwarded to the Controller for processing.
6. The approved loan agreement authorizes the Watermaster Controller to execute a bi-weekly payroll deduction authorization for repayment of the loan over a period of 24 months.
7. The Watermaster Controller or Office Manager prepares the check(s) in the name of the participant and the vendor(s) or credit card issuing company. The check is signed according to the approved Watermaster signature authority resolution and the loan agreement is presented to the employee for his/her approval and signature.
Note: At the employee's option the loan may be paid off at any time during the 24-month loan period. The employee may do this by presenting a check made out to the Chino Basin Watermaster for the outstanding balance.
8. The original and copies of the employee loan agreement are distributed as follows:
 - ◆ Original agreement filed in safe
 - ◆ One (1) copy to the employee's personnel file.
 - ◆ One (1) copy to the employee

Note: When the loan has been paid off, the original loan agreement will be marked "paid" and returned to the employee. A copy of the paid loan agreement will be retained in the safe.

9. The employee submits a copy of the invoice to the Chief of Watermaster Services showing that the computer system has been paid in full within 30 days of the loan origination date. Failure to do this will result in the loan being cancelled, and the entire loan amount will be immediately due in full.

III DELEGATION OF AUTHORITY

EMPLOYEE: Responsible for completing Employee Personal Computer Application Sheet for repaying entire balance of outstanding loan upon termination of employment.

Responsible to maintain adequate homeowner's insurance to cover the replacement of any computer equipment purchased with the Chino Basin Watermaster Computer Loan.

Responsible to provide a copy of the paid invoice to the Controller within 30 days of loan origination.

CHIEF OF WATERMASTER SERVICES OR DESIGNATED EMPLOYEE:

Responsible for verifying that no personnel actions are pending that make the employee ineligible to receive a loan.

Responsible for approval of Employee Personal Computer Application and verification of available funds.

Responsible for approval of Employee Personal Computer agreement and signing the check(s).

Responsible for notifying the Payroll Service when a computer has been paid off early.

Responsible for preparation of employee payroll deduction and/or removal.

Responsible for preparation of employee PC Loan Status Report.