



# STATEWIDE ACCOUNTING BUREAU

June 9, 2022

## Financed Purchases Information Request (FYE)

This request is for information related to financed purchases (also called installment purchases). All agencies (not including component units) must declare whether or not they have installment purchases by indicating “yes” or “no” using this [shared excel document](#). If an agency has financed purchases, the schedule for the agency’s business unit should be completed.

A financed purchase is a contract that transfers ownership of an underlying asset to the purchaser by the end of the contract and does not contain termination options. Provisions that end a contract for the following reasons are not considered termination options:

1. Payment of all sums due
2. Default on payments
3. A fiscal funding or cancellation clause that is not reasonably certain of being exercised

Guidance for identifying and recording financed purchases is detailed in this Draft Excerpt from [MOM-SFSD-POL-SAB 335 - Capital Assets](#). Please note, this policy is still in a draft form and is subject to change, contact Brian Feller (444-3975) if you have any questions.

**Note:** In previous years this request was made for all lease information which included items that are now identified as financed purchases. Due to process changes from the implementation of GASB 87, this request is only for financed purchases. Information for leases recorded in the SABHRS Lease Administration (LA) module or Short-Term leases does not need to be provided as part of this request. See MOM-SFSD-POL-SAB 336-Accounting for Leases as a Lessee-Draft for information on Leases.

### Reminder:

Only financed purchases should be recorded in accounts 2104 and 2124. If your agency has balances in these accounts that are not financed purchases, they should be reversed by following these instructions. [Existing Lease Reversal Instructions \(mt.gov\)](#)