



## EXEMPT LEASE PROCESS

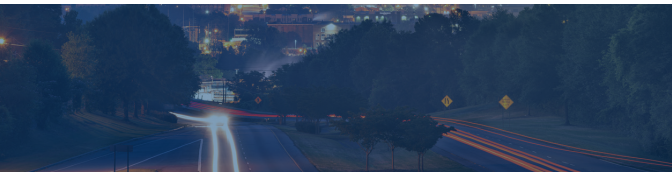
### 1. DEFINE EXEMPT LEASE THRESHOLDS

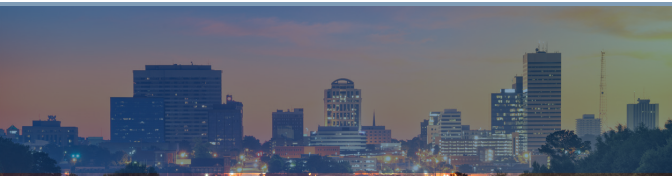
Exempt leases can come about in various ways but are generally defined as leases of non-state-owned property less than or equal to \$25,000 per year for most state agencies or \$100,000 per year for institutions of higher education. NOTE: other exemptions may apply that are not stated here. Check with your agency's legal department for more information.

### 2. WHEN TO INVOLVE THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION (ADMIN)

The most common scenario is when an existing exempt lease is set to expire and will be needed in the future. In this case, an agency may discuss with the existing landlord whether the space can continue being leased below exempt lease thresholds or may inquire with other agents/brokers in the area to understand if other properties would be available below exempt lease thresholds.

Alternatively, an agency may simply have a request for new space. In such a case, the agency shall submit a completed Space Allocation Worksheet and Request for Space Form to Admin's Real Property Services (RPS) to draft and post a solicitation. (SEE COMMERCIAL LEASE PROCESS for more details.) Once offers are received and reviewed by RPS and the agency, it may be determined that the offers are below exempt lease thresholds.





If a lease is exempt, the agency may proceed without RPS to finalize the lease if they so desire. RPS can provide an Exempt Lease template to facilitate the lease arrangements. However, agencies are always required to provide RPS with the fully executed lease for its records pursuant to SC Code of Regulations §19-447.1000(C).

### **3. RPS SUPPORT & EXECUTION**

At the request of an agency, RPS will provide support throughout the exempt lease process. The agency should specify how they would like to be supported (i.e., fully: by setting up site visits and negotiating and drafting the lease or partially: simply reviewing a lease draft).

Once a lease is agreed upon, it can be fully executed by the parties starting with the landlord, followed by the tenant (agency).

### **4. POST-EXECUTION**

Upon receiving the fully executed lease, RPS will input the data in SCEIS and notify the Comptroller General's Office (CGO) of the new lease. New leases will receive an internal order number generated from the accounts payable office of the agency leasing the space (or in the case of Shared Services, by Admin). The agency will take over the administration of the lease, provide RPS with a signed Acceptance Agreement, as applicable, and contact RPS if there are issues that cannot be worked out with the landlord.