**Procedures for Leasing Property from Others**

Occasionally, an Iowa State University department needs to lease office space, farm land, or other real property from others. This document sets forth the procedures departments should follow to ensure the lease is entered into correctly and in a timely manner.

These procedures only pertain if a department wishes to use someone else’s property. If a department wishes to allow another individual or entity to use ISU’s property, please refer to the [Procedures for Leasing Property to Others](https://www.universitycounsel.iastate.edu/sites/default/files/uploads/Contract%20Assistance/Leases/Lease%20Procedures%20%28Landlord%29.docx) and to the [Facility Use Agreement Instructions](https://www.universitycounsel.iastate.edu/sites/default/files/uploads/Contract%20Assistance/Facility%20Use/2022-03-21.Facility%20Use%20Agreement%20Instructions_FINAL.docx). In addition, these procedures only apply to real estate. If a department wishes to lease equipment or other items, contact Procurement Services (procurement@iastate.edu).

1. **Research Existing Options at ISU**

If the department is seeking to use property within the State of Iowa, the department should contact one of the following as applicable:

* Farm Land/Undeveloped Property – If the department wishes to use farm land, wooded areas, or other undeveloped land within the State of Iowa, the department should contact ISU Research Farms to see whether it already has property suitable for the department’s needs.
* Office Space/Developed Property – If the department wishes to use office space, other space within a building, or other developed property within the State of Iowa, the department should contact Planning Services (fpmplanningservices@iastate.edu) to see whether there is space on campus or space in properties already leased by ISU that would be suitable for the department’s needs.
1. **Explore Other Options**

If the department is seeking to use property outside of the State of Iowa or if there is no suitable property that ISU has within the State of Iowa, then the department should explore whether there are other available properties owned by others that are suitable for the department’s needs. Planning Services and Procurement Services can assist the department with this research.

1. **Discuss Financial Implications**

The department should review the financial implications of entering into the lease with its Cost Center Manager and/or Business Unit Manager.

1. **Contact Planning Services to Determine if Approvals are Required**

Certain leases require approval from ISU’s [Capital Projects Advisory Committee (CPAC)](https://www.committees.iastate.edu/comm-info.php?id=16) and the Board of Regents. Leases requiring these approvals take at least four to six months to finalize.

In general, the [Board of Regents Policy Manual](https://www.iowaregents.edu/plans-and-policies/board-policy-manual/23-property-and-facilities#real-property) states that the Board of Regents must approve leases that contain any of the following: a term of five years or more; leased space of 10,000 square feet or more; annual rent of more than $150,000, or an option to purchase or right of first refusal to purchase the property or improvements on the land. There are exceptions and other nuances within the Board of Regents policy. Consequently, the department should contact Planning Services (fpmplanningservices@iastate.edu) to determine whether the approvals are required.

If approvals are required, the department should proceed to Section 5 below. If approvals are not required, the department should proceed to Section 7 below.

1. **Initiate CPAC and Board of Regents Review Process (If Applicable)**

For leases that require approval from CPAC and the Board of Regents, the department should contact its CPAC Workgroup representative to inform the representative of the department’s plans. Planning Services can provide contact information for the CPAC Workgroup representative. The CPAC Workgroup representative and Planning Services can assist the department in completing a Project Initiation Request, which is the document that initiates the process through which CPAC and the Board of Regents review and approve leases.

1. **Consult with the Office of General Counsel (If Applicable)**

For leases that require approval from CPAC and the Board of Regents, the department should contact the Office of General Counsel (universitycounsel@iastate.edu) to review and negotiate the lease with the individual or entity that is leasing the property to ISU. If CPAC and the Board of Regents approve the lease, the Office of General Counsel will arrange for the lease to be signed by the appropriate representatives of ISU and the individual or entity leasing the property to ISU. The Office of General Counsel will provide a copy of the signed lease to the department.

1. **Submit Form to Procurement Services**

For all leases, the department should complete the [Contract Request Form](https://www.procurement.iastate.edu/forms/contract-request-form) on the website for Procurement Services.

For leases that do not require approval by CPAC and the Board of Regents, Procurement Services will review and negotiate the lease with the individual or entity that is leasing the property to ISU, sign the lease on behalf of ISU, and arrange for the lease to be signed by the appropriate representative of the individual or entity leasing the property to ISU.

For leases that have been approved by CPAC and the Board of Regents, the department should attach to the Contract Request Form the signed lease that the Office of General Counsel provided to the department.

For all signed leases, Procurement Services will enter them into the Workday system so that rent and other payments are made using funds from the worktag provided by the department. If the lease requires ISU to provide evidence of insurance, Procurement Services will work with the Office of Risk Management to ensure that evidence is provided.

1. **Comply with Lease Terms**

The department is responsible for complying with the lease terms. Consequently, the department should read the lease to understand its obligations and inform others within the department as needed.

1. **Obtain Assistance with Amendments or Renewals of Lease**

If the department and lessee wish to change the terms of the lease or extend the length of the lease, the department should contact Procurement Services for assistance in preparing the needed documentation.