



Multi-Year SmartNet Installment Payment Plan

State, Local Government and Education customers are already protecting their investments in Cisco technology by taking advantage of our SmartNet service agreements. Most public sector customers are negotiating SmartNet service agreements on an annual renewal basis, largely due to the constraints of their annual funding cycles.

Through our new Installment Payment Plan, public sector customers can now realize the benefits that our business customers have been enjoying for many years by entering into multi-year SmartNet service agreements. Those benefits include:

- Lock in multiple years of service at today's prices = protection from future price increases
- Eliminate need to negotiate and award service agreements annually
- Insure continuous protection of network resources

Tax-Exempt Installment Payment Plan – Where permitted by local statute, public sector customers can now finance multi-year maintenance agreements at the same low tax-exempt interest rates available for their equipment acquisitions. This form of financing is authorized under the “customary prepayment” statutes as detailed in Treasury Regulation 1.148-1(e). Our bond counsel will be happy to review these authorizing statutes and related payment plan procedures with customers and their counsel.

Benefits:

- The price of SmartNet service agreements increase periodically. Typically, service coverage costs can increase between 4 and 12 percent per year. By entering into a multi-year payment plan to lock in current SmartNet pricing, customers can protect themselves from cost increases for two to three years while still enjoying the flexibility to add and remove equipment from their network during the contract term.
- The various advanced technology services available from Cisco, from SmartNet itself to IOS software licenses, call all be included in one convenient payment plan
- Payments can be scheduled monthly, quarterly, semi-annually or annually at the customer's preference
- Non-appropriation clause included in payment plan documentation - customers only appropriate funds for payments due in their current fiscal year. Agreement can be terminated if funds are not appropriated to continue the payments into a subsequent fiscal year.

For Further Information Contact:

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