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| Section 2.0 ADMINISTRATION | | Subject <i>2.9 MAINTENANCE SERVICE AGREEMENTS - CAPITAL PURCHASES</i> | |
| Page 1 of 1 | Board Motion 00.00.000 | Effective Date 01 JUN 1997 | Last Revised Date 30 MARCH 2022 |

PURPOSE To outline the responsibility for purchasing and adhering to the terms and conditions of extended warranty and/or maintenance service agreement contracts.

REFERENCE Corporate Policy 2.4 Purchasing Policy

SCOPE In addition to warranties, suppliers of capital purchases, mostly for equipment items, often offer buyers the opportunity of purchasing extended warranties and/or maintenance service agreements covering items purchased. The decision to purchase such shall be based on the cost and benefits of coverage to the Foundation.

- TERMS**
- 1.0 In consultation with the Foundation’s Director of Maintenance and Asset Management, the purchasing facility/department will determine whether or not to purchase an extended warranty and/or maintenance service agreement.
 - 2.0 If purchased for a new item, the cost of the agreement will be recorded as a prepaid expense and amortized monthly from the initial date of purchase over the financing or warranty term, whichever is less, as it is not a cost of the asset being purchased, but a cost of the service/warranty being provided over the term.
 - 3.0 The cost of renewed agreements will be charged to the owner facility/department.
 - 4.0 Responsibility for understanding and for ensuring the conditions and coverage’s of the agreement are adhered to, rests with the owner facility/department and the Director of Maintenance and Asset Management.
 - 5.0 Original warranty and/or maintenance service agreement documents shall be provided to the Director of Maintenance and Asset Management with copies retained by the owner facility/department.

Approved: _____

Hazel Reintjes, Board Chair

Date: _____