What is the difference between maintenance/service contracts and support services, and repairs and maintenance costs?

Tell Me

Note

Each of the situations below has their own range of expense account codes. Please refer to the Expense Account Code Descriptions document for additional information.

1. **Maintenance contracts and service agreements** are contracts between the University and a vendor specifying a level of ongoing support for a product or piece of equipment. They often cover a one-year or longer time period, indicating a level of ongoing support.
2. **Support services are fees** paid to independent contractors or external organizations for their professional, consultative, and advisory services.
3. **Repair & maintenance costs** are for a one-time or short-term agreement between the University and a vendor to remediate a specific problem with a product or piece of equipment.
   a. Normally, the vendor comes to campus to address the problem.
   b. Charges for both parts and labor are recorded in the same account.
   c. Note that repairs are corrective and restorative following wear and deterioration; maintenance is preventive and anticipatory.

Related FAQs

- Which account code should I use to record the purchase of an asset when I create a new requisition?
- What account should I use for employee training expenses?
- What account code should I use for capital equipment leases?
- Should I record an offset to an expense account when I receive money back?
- How do I determine which "other" or "miscellaneous" account code to use?