



Policy Number:	CS-1003-1988
Policy Title:	Personal Acquisition of Computer Equipment
Policy Owner:	Chief Financial Officer
Effective Date:	October 1, 1988
Last Revised:	November 27, 2019

1. Purpose

The purpose of Mohawk College's ("Mohawk") Personal Acquisition of Computer Equipment Policy ("Policy") is to establish the framework of rules for full-time employees to purchase personal computer equipment through an interest-free employee loan.

2. Application and Scope

This policy applies to all full-time employees of the College.

3. Definitions

"Computer equipment" includes but is not limited to personal computer, laptop, notebook, tablet, iPad and external peripherals (mouse, monitor, keyboard, printer/scanner, speakers, external hard drive; DVD writer, , backup unit or power protection unit). Warranties, cases and parts for building a computer are not considered computer equipment.

"Full-time employee" means an employee who has a permanent position with the College and meets eligibility criteria for the College benefits.

4. Principles

A. Accountability - Mohawk College is accountable for the use of public funds.

B. Transparency - Mohawk College is transparent to all of its stakeholders and especially to the members of the Hamilton community who it serves. The rules for personal computer loans are clear, easily understood and available to the public.

5. Accountability and Compliance

5.1 Accountability Framework

This policy has been approved by the Senior Leadership Team.

5.2 Compliance

The Chief Financial Officer is authorized to ensure that information within this policy is applied.

6. Rules

The financed amount must not exceed \$3,500 per employee per purchase and must be repaid, through payroll deduction, within a maximum 24-month period from the purchase date. The employee cannot have more than two computer purchase loans outstanding at the same time.

Purchases must involve new personal computer equipment only. Second-hand or private purchases will not be recognized as valid purchases for this program.

Total loan proceeds will equal the purchase price of the computer equipment less a down payment of 10% of the computer equipment purchase price or \$200 whichever is greater. For example: Total purchase price is \$1,500, deposit is \$200; or total purchase price is \$3,500, deposit is \$350.

Only the purchase of personal computer equipment is eligible. Computer software, when purchased with hardware, such as Microsoft Windows, Microsoft Office or any bundled software, virus protection software and PC utilities software that are provided with the PC package, are also eligible. Supplies such as CDs, DVDs, paper etc., are ineligible. Warranty plans such as AppleCare are also ineligible.

A computer purchase loan is considered by Canada Revenue Agency as an interest-free loan and therefore is a taxable benefit to an employee.

If an employee who has a computer purchase loan leaves the college, any amount outstanding on the loan is due and payable in full by the employee's last day of employment.

7. Policy Revision Date

7.1 Revision Date

November 2024

7.2 Responsibility

The Chief Financial Officer is responsible for reviewing this policy every five years or earlier when required.

8. Attachments

Appendix A – Personal Acquisition of Computer Equipment Procedures

Appendix B –Promissory Note

9. Specific Links

CS-1002-2009 Purchasing Card Policy



Appendix A

Personal Acquisition of Computer Equipment Procedure

1. Employee Responsibilities

Employees have two options for acquiring personal computer equipment:

- 1) Purchase the computer equipment and pay the vendor in full, or
- 2) Obtain a quote or an invoice from the vendor and request an advance to purchase the computer equipment.

1.1 Option 1

The employee must complete the Promissory Note (see Appendix B) and submit it to Payroll Services along with the original itemized receipt from the computer vendor. This form is also included in the "Computer Purchase Program" package which can be found on MyMohawk (Human Resources – Welcome To HR – Quicklinks - Payroll Services Website).

Payroll Services will verify the employee's eligibility for the program and verify the provided documentation. Once the application is approved, Payroll Services will deposit the loan amount, less 10% down payment or \$200 whichever is greater, in the employee's bank account on the next available pay date.

1.2 Option 2

The employee obtains a quote or an invoice from the vendor showing the total cost of the computer equipment.

The employee must complete the Promissory Note (see Appendix B) and submit it to Payroll Services along with the quote or original invoice from the computer vendor.

Payroll Services will verify the employee's eligibility for the program and verify the provided documentation. Once the application is approved, Payroll Services will deposit the loan amount, less 10% down payment (or \$200 whichever is greater), in the employee's bank account on the next available pay date.

The employee must proceed to purchase the equipment as per the quote or invoice and submit an original itemized receipt to Payroll Services within 10 working days of receiving the funds.

If the submitted receipt varies from the quote or invoice previously provided by the employee, the difference will be adjusted on the first available pay. The employee's computer

purchase deductions will be increased or decreased accordingly, to reflect the final cost of the computer equipment, however, no more than \$3,500 will be advanced.

2. Responsibilities of the Program Administrator (Payroll Services)

The Program Administrator (Payroll Services) is responsible for general administration of the Personal Acquisition of the Computer Equipment program including the following:

- Verifying employee's eligibility for the loan(s);
- Checking for the completeness of the loan's documentation;
- Approving application for the loan;
- Processing "Promissory Notes" for new loans;
- Calculating payroll deductions for the loans repayments;
- Calculating and applying taxable benefits associated with the loans;
- Clarifying program guidelines to employees;
- Reconciliation of Computer Loans account.



Appendix B
Promissory Note

In consideration of my Employer, Mohawk College, I agree to finance the computer equipment set out on the attached Schedule 1.

I, (EMPLOYEE NAME) _____, Banner ID: _____,
hereby agree to repay the sum of \$ _____ to Mohawk College according to
the following terms and conditions:

1. I understand that my loan will be repaid to Mohawk College evenly over a 24-month period.
2. My employer, Mohawk College, shall and is hereby authorized to deduct an amount equal to the total purchase price (including taxes) less deposit divided equally over a 24-month period.
3. I understand, and agree, that on any payroll date during the term of this agreement, I may pay the loan off in its entirety. I understand that additional partial payments are not allowed.
4. I understand, and agree, that in the event of termination of my employment with Mohawk College for any reason, including death, the balance of the amount payable at the time shall immediately become payable, and Mohawk College is hereby authorized to deduct this from my final pay, including vacation pay, and in the event my final pay is not sufficient to cover the balance, I, or my estate, shall pay the outstanding balance to Mohawk College due immediately upon notification.
5. I understand and agree, that if I fail to provide Mohawk College (Payroll Services) with an original itemized receipt (as proof of purchase) within 10 working days of receiving the funds in my bank account, the loan shall become immediately payable, in full, and Mohawk College is hereby authorized to deduct this from my pay.

Employee Initials

6. In the event that payroll is suspended (i.e. unpaid leave of absence), I shall provide Mohawk College with a series of monthly post-dated cheques to cover the payments I would otherwise have made to Mohawk College for the time period involved.

7. I understand, and agree, that upon delivery of my computer or upgrade, I shall be the owner of the computer equipment and the computer equipment purchased under this program is my equipment to keep, to maintain, to insure and to repair at my expense, and that Mohawk College is in no way responsible for and cannot guarantee the quality of the equipment purchased or its suitability for my needs. I acknowledge and agree that neither I, nor any subsequent owner of my computer or upgrade, shall have no recourse whatsoever against Mohawk College.

8. I understand that the money borrowed from Mohawk College is considered an interest-free loan and therefore a taxable benefit under current income tax legislation. The taxable benefit calculation is based on Canada Revenue Agency's prescribed rate and will appear on my T4 slip as a taxable benefit. The taxes associated with this taxable benefit will be deducted on each pay for the duration of the loan.

EMPLOYEE NAME

EMPLOYEE SIGNATURE

DATE

WITNESS SIGNATURE

DATE

Dated at Hamilton, Ontario, this _____ day of _____, 20__.

Authorized by: _____
Payroll Manager

Date: _____



SCHEDULE 1 TO PROMISSORY NOTE

TOTAL PURCHASE PRICE (INCLUDING TAXES): \$ _____

LESS AMOUNT OF DEPOSIT
(10% OR \$200, WHICHEVER IS GREATER): \$ _____

TOTAL AMOUNT OF THE LOAN \$ _____

REPAYMENT TERM IS 24 MONTHS

RETAIL VENDOR'S NAME: _____

FOR CONTACT PURPOSES ONLY

EMPLOYEE NAME: _____ BANNER ID: _____

EMPLOYEE'S DEPARTMENT/DIVISION: _____

EMPLOYEE CONTACT NUMBERS: Work Phone #: _____

Home Phone #: _____

PLEASE SUBMIT THE FOLLOWING TO PAYROLL SERVICES FOR LOAN PROCESSING:

- ORIGINAL ITEMIZED RECEIPT OR INVOICE/QUOTE FROM THE VENDOR
- COMPLETED AND SIGNED PROMISSORY NOTE (APPENDIX B)
- COMPLETED SCHEDULE 1 TO PROMISSORY NOTE

FOR PAYROLL SERVICES USE ONLY

\$ _____	-	\$ _____	=	\$ _____	÷	\$ _____	=	\$ _____
Total Purchase Price Including Taxes		Less Deposit (10% or \$200, whichever is greater)		Balance Remaining (maximum \$3,500)		# of pays (maximum of 48 pays)		Amount to be Deducted per Pay

PAY PERIOD COMMENCING

PAY PERIOD ENDING

DATE RECEIPT RECEIVED

PAYROLL SERVICES SIGNATURE