



Policy for Sale of S38 Association Stock Spares to Members

A. Context:

The S38 Association Executive has established an initiative to hold certain critical spares which have a long order/manufacture period to assist Members in promptly restoring their yachts to a seaworthy condition. These spares are held as a stock current asset on the Association Balance Sheet at cost price.

These spares may be held in stock for a prolonged period if there is no demand. The Association invests in the acquisition, delivery and storage of the spares and warrants some recompense for use of its resources. In some instances, due to escalation, the replacement cost/current retail price of the spare may be greater than the original cost.

B. Policy:

1. Critical spares purchased by the S38 Association for the benefit of Members are to be stored under the supervision of designated Officers in accessible locations and clearly marked as 'Property of S38 Association'.
2. Spares are to be held as Stock Items at cost price in the Associations Accounts. The Item will not be revalued to market value during its tenure as a stock.
3. On a request from a Member, the designated Officer will arrange for the sale and delivery of the stock item to the Member, and order a replacement item from the manufacturer/supplier. In the event of 2 Members requesting the same stock item simultaneously, the Member with the longest period of Membership will take precedence.
4. **The sale price to the Member will be calculated as cost price to the Association plus 10%, OR the current replacement cost as quoted by the supplier, whichever is greater. Transport/delivery will be charged at cost.**
5. The S38 Association will invoice the Member on 14 day terms.

