

Definition of Goods and Services

Contracts are required for all services. Contract templates can be found on the [purchasing department website](#) under forms.

How to determine if something is a good or a service

Comparison	Goods	Services
Definition	A purchase where ownership is completely transferred to the purchaser. Goods are objects or items that can be tested, tried, before purchase, stored for later use and sold to others.	A purchase where ownership does not transfer to the purchaser, but the purchaser benefits in some way by the purchase.
Tangibility	Usually Tangible	Intangible
Ownership	Can be transferred	Cannot be transferred
Appraisal of Quality	Visual inspection and testing	Difficult to evaluate
Variability	Not variable: identical to other of the same product	Variable: Changes by who performs the service, and other external variable
Storage	Can be stored, used in the future, and used multiple times	Cannot be stored
Production and Consumption	There is a time lag between when a good is produced and when it is consumed	Consumed the same time the service is being performed