

Capital Expenditure

1. INTRODUCTION

The purpose of this policy is to ensure that all capital expenditure is approved within budget constraints, prior to any expenditure being incurred.

2. POLICY

- 2.1 The Manager shall provide an annual capital expenditure plan with proposals and supporting documentation for inclusion in the Business Plan and Budget.
- 2.2 All capital expenditure over \$50,000.00 must have prior approval from the Board.
- 2.3 For expenditure of less than \$15,000.00 approval must be given by the Manager prior to expenditure and subject to adequate provision in the annual budget.
- 2.4 When purchasing capital assets, a proposal detailing the nature of the asset to be purchased must be presented to the Manager explaining the reason for the purchase, estimates of costs with quotes attached if appropriate.
- 2.5 Approval must be sought, prior to ordering the goods.
- 2.6 Once approval is received a purchase order will be completed in the normal way.
- 2.7 A copy of the approved invoice will be taken and used as the basis for updating the Fixed Asset register.
- 2.8 The invoice then being filed with the register to support the value and nature of fixed asset purchases.

3. RESPONSIBILITY

- 3.1 The Accountant is responsible for ensuring that capital expenditure is carried out in accordance with this policy.
- 3.2 The Accountant will check monthly capital expenditure to budgeted monthly capital expenditure and will report any variances to the Manager

4. PERFORMANCE MEASUREMENT

- 4.1 Disciplinary action, up to and including serious misconduct, may be taken if an Employee has been found to have been deliberately negligent or misleading in any actions in regards to this policy.

5. REFERENCES

5.1

Responsibility for Procedure:	Manager
Approving Authority:	Manager
Reference:	Finance