

Sunbeam House Services Policy Document	Title: Capital Expenditure Policy
	Effective Date: 28 April 2015



Document Control

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1.0 POLICY:

Sunbeam House Services Capital Expenditure policy is written with regard to all capital expenditure within the company. The purpose is to enable Management and the Board of Directors to exercise appropriate control and authority over expenditure on the acquisition or the subsequent disposal of capital or other significant items.

2.0 SCOPE:

This Policy applies to all staff employed by Sunbeam House Services , Its Board and Agents.

It should be read in conjunction with the credit purchase/procurement policy and relevant aspects of the code of conduct policy.

Due regard must be given to Public Procurement Guidelines as published on the EU public procurement website.

3.0 ROLES & RESPONSIBILITIES:

All staff working in SHS are responsible for complying with this policy. It is responsibility of the Senior Management Team and the Client Service Managers to ensure that this policy is enforced.

4.0 Definition of Capital Expenditure:

For the purpose of this policy, capital expenditure includes:-

- Major assets such as buildings, equipment, buses or other vehicles.
- Repairs to any of the above where they are non-routine or exceed the relevant limits.
- Other upgrade, refurbishment or repairs that are not 'capital' in nature but exceed expenditure limits outlined below.
- Any 'Minor Capital' work that exceeds the expenditure limits set out in Appendix 1.

5.0 Procedure

Authorisation for capital expenditure must be obtained for any project where an estimated cost is expected to exceed the limit set out in Appendix 1. The authorisation process may require the completion of a 'Capital Acquisition Form (CAF).

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Purchase of any capital items from staff, relations of staff or other closely connected parties must have the written approval of the Managing Director.

5.1 Tenders/quotes/contract proposals

Tenders, written quotes and contracts are an essential element of the capital expenditure control process. These must be obtained and held on record as specified in Appendix 1. They must also be supplied in copy form as support for a CAF or a payment request.

Specification documents for services/products may need to be drawn up by SHS staff.

Tenders, quotes and contracts must be drawn up by the relevant third party. Staff must not be involved in drawing up quotes/tenders/contracts on behalf of third parties.

5.2 Approval of tenders/quotes/contracts

Approval of all relevant tenders/quotes/contracts is subject to the limits set out in Appendix 1. This appendix details the requirement for various levels and types of expenditure. Note that the Client Service Manager and the relevant Senior Manager of the Location that will be charged with the expense must sign off the relevant documentation, including a CAF if required. If the specified requirement in Appendix 2 cannot or will not be met, then this must be noted on the CAF and approved by way of the signature of the Managing Director.

Following approval, a copy of the relevant contract/quote/tender, together with a copy of the CAF, must be sent to the Accountant/General Manager. Where any type of staged payment, deposit or interim payment (including payment based on an Architect's Certificate) is being made, then:-

1. No payment can be made unless all appropriate supporting documentation has been completed and approved.
2. Each separate request for payment must be clearly identified with the related contract/tender/quote that has been approved.
3. Each request for payment must be passed to the Accountant/General Manager for sign off in advance of payment.

5.3 Source of Funding

If capital expenditure is being funded from a particular source (e.g. donation, grant etc.), then note this fact in the appropriate section of the CAF.

5.4 Insurance and Health & Safety

All contractors working on site must:-

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1. Have adequate insurance cover in place and must supply copies of necessary documentation to SHS.
2. Comply with 'Procedures for Contractors coming on SHS Property'. A copy of these procedures is available from the Health & Safety Officer in SHS.

5.5 Over-runs/Extras

Where the cost of any project exceeds the original approved amount by more than 10%, then an additional CAF must be completed to support and authorise the additional expenditure.

5.6 Disposal or write-off of capital and other items

Disposal or write-off of assets must be strictly controlled and documented, in accordance with the limits and requirements set out in Appendix 3.

In order to ensure that assets are disposed of at appropriate values:-

1. Items of equipment or buses should be advertised on appropriate publications/ advertisement sites.
2. Independent valuations should be considered on disposal of any items with a potential value of greater than €10,000.
3. Sales to parties such as staff, relations of staff or other closely connected parties require the written approval of the Managing Director by way of a Disposal Approval Request Form.
4. A Disposal Approval Request Form must be completed for all items with an original cost or value greater than €20,000. A copy of this form must be submitted to the Accountant on disposal or write-off.
5. Write-off of all other items requires the written approval of the relevant Senior Manager.

Appendix 4 contains a copy of the Disposal Approval Request Form.

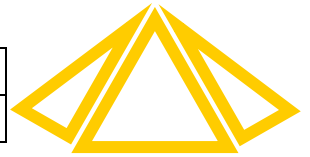
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APPENDIX 1

Expenditure authorisation limits and requirements

	LIMITS	REQUIREMENT
Buses/Vehicles	All expenditure except repairs less than €3,000	2 written quotes for repairs, otherwise 2 written quotes plus 'CAF' signed by Senior Manager/General Manager
Buildings or equipment purchase/construction repair	Greater than €3,000, less than €20,000	2 written quotes + 'CEAR' signed by Area Manager and General Manager
	Greater than €20,000 but less than €150,000	3 written quotes and 'CAF' signed by Senior Manager, General Manager and Managing Director
	Greater than €150,000	3 quotes/tenders and 'CAF' signed by Managing Director or approval by Board minute.
Other capital/minor capital expenditure (including repairs)	Greater than €3,000, less than €20,000	2 written quotes + 'CAF' signed by Senior Manager and General Manager
	Greater than €20,000 but less than €150,000	3 written quotes and 'CAF' signed by Senior Manager, General Manager and Managing Director
	Greater than €150,000	3 quotes/tenders and 'CAF' signed by Managing Director or approval by Board minute.



APPENDIX 2

Capital Acquisition Form (CAF)

STRICTLY PRIVATE & CONFIDENTIAL

Give details of the planned expenditure: _____

Give details of the timing of expenditure: _____

What is the total estimated cost? _____

Number of quotes/tenders obtained (copies must be attached): _____

Name of supplier/contractor(s) selected: _____

Date of supply: _____

Insurance approved? Yes / No / Not applicable (*select one*)

Safety procedures confirmed? Yes / No / Not applicable (*select one*)

Source of funding for expenditure: _____

Other comments: _____

CSM signature: _____ Date: _____

Senior Manager signature: _____ Date: _____

General Manager signature: _____ Date: _____

Managing Director signature: _____ Date: _____

Accounts Use

Supplier Account Ref: _____ Date Received: _____

Unit Code/Name: _____ Staged Pay: Yes / No



APPENDIX 3

Disposal authorisation limits and requirements

Original value/cost of item	Requirement
Greater than €750 but less than €3,000	Approval in advance in writing from the Senior Manager. A copy of this approval must be sent to the Accountant/General Manager.
Greater than €3,000 but less than €20,000	Approval in advance in writing from the Senior Manager and the General Manager by way of a completed Disposal Approval Request Form.
Greater than €20,000	Disposal Approval Request Form signed by the Managing Director plus copies of supporting written offers.



APPENDIX 4

Disposal Approval Request Form

Details of item(s) being disposed: _____

Date of Purchase/Acquisition: _____

Cost/Value at Acquisition: _____

Is the disposal to a connected party (see Policy definition): Yes / No

Has this item been publically advertised: Yes / No

Give details of advertisement(s) : _____

Is an independent valuation appropriate: Yes / No. State reason for your answer: _____

Estimated Disposal Value: _____

Details of Offers/Expression of interest? _____

Senior Manager signature: _____ Date: _____

General Manager signature: _____ Date: _____

Managing Director signature: _____ Date: _____

Accounts Use

Asset ID: _____ GL Code/Unit: _____

Date Acquired: _____ Accountant Signature: _____