**Use this form for all CAPEX requests over $2000**

**Request Date:** Click or tap to enter a date.

**Requesting Department:** Enter department code and name

**Requester Name:** Enter the name **Phone No:** 0

**Description of Item(s):** Enter Description of what is to be bought including make and model and quantity if known

**Proposed Location:** Enter sufficient information to record the proposed location(s)

**Purpose and Justification:** Enter information on business purpose and justification

**Amount:** Enter the amount excluding GST

**Which budget will this come from:** Enter Dept Code and Budget description if known

**Thinking about what makes up this CAPEX, could you please provide a rough breakdown of the components that make up the CAPEX cost:**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Description*** | ***Quantity*** | ***Cost Excl GST*** | ***Total Excl GST*** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Are there any additional one-off costs or requirements before we can use the item, for example installation, freight, import duties, new power points, plumbing, data ports or similar set up costs?**

|  |  |
| --- | --- |
| ***Description*** | ***Cost if known*** |
|  |  |
|  |  |
|  |  |

**Does the asset include or require software, or does it require linking to any IT equipment?** Select. **If yes, please attach information about the system requirements etc. Information attached:** Choose an item.

**Thinking about the ongoing future cost for the use of the asset, does it require consumables, ongoing license fees, maintenance, certification, subscriptions or similar operational expenditure (OPEX) and what would the monthly cost be?**

|  |  |  |
| --- | --- | --- |
| **Description** | **Monthly Cost if known** | **Is this a new cost?** |
|  |  |  |
|  |  |  |
|  |  |  |

**Which OPEX budget would cover this?** Enter Cost Centre.Enter GL code.

**Is there allowance for this in the current budget?** Choose an item.

**Thinking about the retirement of existing assets, could you please advise if the asset you will be purchasing/creating will replace an existing asset:**

**This asset will be:** Choose an item.

**If any assets are for replacement, provide the following information for the *old/existing* equipment (advise only known information):**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Quantity*** | ***Make/Model and Description*** | ***UNL/UNO numbers*** | ***Serial No*** | ***Year acquired*** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Please ensure you complete the asset retirement process for these items once the new assets are delivered.**

**Procurement Section:**

**Which Procurement Method was used/will be used to select the supplier?** Choose an item.

**Does the chosen Procurement Method comply with the Procurement Policy?** Choose an item.

**If no, reasons for non-compliance with Procurement Policy:**

**Proposed Supplier (if already selected):** Enter the supplier name

**For spend $100,000 or less *(For spend above $50,000 (and below $100,000) this is to be supported by a short justification of the spend, along with additional information attached to the CAPEX form that may help the approver to deliver the decision)***

The costs and the identified supplier indicated in this document are subject to a contestable procurement process undertaken in line with the Procurement Policy. [include a summary details i.e. a table detailing the suppliers and the prices of the submissions, the recommended/identified supplier and the rationale of recommending the particular supplier], [alternatively if the amount involved is substantial, still <100k, you may complete a short form supplier recommendation report and submit in tandem with this document]

**For spend over $100,000 *(To be supported by a detailed Business case)***

Cost estimates indicated in this document are indicative only, based on [market prices/Quantity Surveyor estimates/Internal costing] and are non-binding with any supplier. In the event of the funds being approved subject to this CEA and along with Business Case being approved as may be applicable, the appropriate procurement process(es) will be followed in accordance with the Procurement policy requirements including completion of a Supplier Recommendation Report and obtaining approval by the holder of the appropriate Delegated Financial Authority.

**For School related Capex ONLY**

**Please find individual school performance (screenshot):**

**Please find EFTS breakdown by programme (screenshot):**

**Endorsement, approval and other actions:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Name*** | ***Date*** | ***Actions*** | ***Signature*** | ***Comments*** |
| *Cost Centre Owner* |  | ***Endorse / Reject*** |  | ***Required for all Capex requests.*** |
| *Head IT* |  | ***Endorse / Reject*** |  | ***Comment:*** *Only required for IT equipment, Phones, Software and items that need to be linked to any IT devices or systems.*  |
| *Head Infrastructure* |  | ***Endorse / Reject*** |  | ***Comment:*** *Only required for Furniture, Fixtures, or where changes or additions to buildings and infrastructure are required.*  |
| *National Procurement Lead* |  | ***Recommend for Approval*** |  | ***Procurement will not recommend for approval by the DFA, if due process and policy requirements have not been followed*** |
| *Management Accountant (Finance Partner)* |  | ***Endorse / Reject*** |  | ***Comment:*** *Please advise Budget Availability and coding information.* ***Required for all Capex requests.*** |
| *Digital Operation Lead (James Meyer)* |  | ***Approve /*** ***Reject*** |  | ***Approves Budgeted capex requirements (IT only) up to $100k.*** |
| *Senior Leader (Simone or Martin)* |  | ***Approve /*** ***Reject*** |  | ***Approves Budgeted capex requirements (non- IT) up to $100k.*** |
| *Regional Co-Lead (Peseta)* |  | ***Approve /*** ***Reject*** |  | ***Approves Budgeted capex requirements (non- IT) up to $500k.*** |
| *Chief Digital Officer (Teresa)* |  | ***Approve /*** ***Reject*** |  | ***Approves Budgeted capex requirements (IT) up to $1m.*** |
| *DCA Ako Delivery or CFO* |  | ***Approve /*** ***Reject*** |  | ***Approves Budgeted capex requirements up to $2m. Note: Subject to reporting requirements to Finance and Capital Investment Committee for any individual approved proposal over $1m.*** |
| *Once complete* |  |  |  | *Return to Management Accountant (Finance Partner)**to issue the CEA number* |

**End of Form**

**Information about this form and the CAPEX approval process**

**The purpose of this form** **is to**:

1. Collect information about new CAPEX items and retiring assets for asset management purposes;
2. Ensure and document that all CAPEX spend is reviewed by a Management Accountant (Finance Partner) prior to commitment to ensure it is considered for Unitec financial planning, budgets and cashflow;
3. Ensure that the entire cost of the acquisition is considered including installation/start up costs and ongoing expenditure to use the item;
4. Provide a safeguard that existing supplier contracts are utilised where required and that appropriate procurement processes are used for high value items;
5. Ensure that IT connected software and hardware assets are evaluated for compatibility to Unitec systems and devices by the Unitec IT team;
6. Ensure and check that all requests relating to buildings, furniture and infrastructure are made through the FM team;
7. Ensure that CAPEX over $50,000 is accompanied by a business case;
8. Ensure CAPEX is approved by a person with the required DFA to approve CAPEX purchases;
9. Ensure the request has been reviewed by the finance team and procurement before progressing to executive approval;
10. To document the approval to purchase a particular asset or group of assets.

Please note that all business cases for CAPEX are going for approval have to be accompanied by this form.

**Information to attach:**

* For CAPEX over $2000 and up to and including $5000, attach a **single quote**. In preference, existing active suppliers from PeopleSoft should be used for this.
* For CAPEX over $5000 and up to and including $50,000 attach **three quotes** from existing or external suppliers
* For CAPEX over $50,000 and up to and including $100,000 please attach a **Mini Business Case**\*; a full business case may be used for complex requirements. Check the procurement policy for procurement requirements.
* For CAPEX over $100,000 please attach a **full business case**\*. In specific cases Finance can approve the use of a Mini Business Case\* for simple requirements over $100,000. Please advise the proposed contestable procurement process.
* For very large projects, there may be several CAPEX approval forms for the various stages of one project. The same business case can be used for each approval stage if appropriate. Please advise the proposed contestable procurement process.
* Please attach any IT specifications where the item purchased or created will be connected to or will be required to run on any Unitec owned IT systems or hardware.

\**The business case templates are currently in development; please use your existing templates until such time as the new templates are published*

**When printing:**

Please ensure you save paper and only print the form, not the instruction sheets 😊 electronic submission is also possible.

**Process:**

1. After identifying a need to purchase a CAPEX item, obtain a quote or estimate for the cost. Please ensure the quote is non-binding to Unitec and that no commitment to buy is created before the approval process is completed. In preference, existing suppliers should be used for these initial quotes.
2. We recommend consulting your budget owner and Management Accountant (Finance Partner) at this point and also procurement if the value of the CAPEX is high.
3. If the quote/estimate is no more than $5000 for the entire CAPEX (please note: where a number of items are going to be bought at the same time, the combined value applies), complete the form overleaf, attach the quote/estimate and submit to the cost centre owner for endorsement.
4. For values over $5000, refer to the **Information to attach** section for additional information that will be required with the CAPEX form.
5. The requester/buyer will also enter the request into the Capital Expenditure Approval (CEA) spreadsheet -[FY22 CEA Spreadsheet](file:///%5C%5Cuniad.unitec.ac.nz%5Cstaffshare%5C4.%20Non-Academic%20Services%5CFinance%5CCEA%5C2021%20-%20CEA%20Capex%20Expenditure%20Approvals.xlsm)
6. Once endorsed by the cost centre owner, submit the request to your Management Accountant (Finance Partner) or equivalent, and to the Procurement Officer. Their job is to check that all information is provided, make sure there is budget for the request, ensure that FM/IT review/approve the request if required and determine or endorse the appropriate supplier selection process. They may revert with requests for additional information.
7. Once satisfied, Finance will then send the request to the relevant DCE for endorsement or approval. They may include a recommendation or other additional information.
8. Once it has been approved, Finance and the requester/buyer will be notified and will receive a signed copy and a CEA number will be issued together with coding instructions for the PO.
9. If the procurement process/supplier selection process has not yet been conducted, it will take place now. Formal procurement processes will be required for high values.
10. The departments buyer will then raise a PO using the CEA number as reference and attaching the approval documentation as “PO Justification” in the comments section. The normal PO process commences. Please note P-Card can not be used to purchase CAPEX items.
11. When you receive the assets, they should be marked with asset labels, with the marked asset and its UN code then provided to the management accountant via email. If UN stickers are required please contact your management accountant.
12. If the assets are replacements for old assets, the requester needs to initiate and/or complete all necessary steps to dispose of the old item/asset that is being replaced. Disposal has to be recorded on the disposal form which can be found on the Nest. This form has to be provided to Finance to ensure the item is retired from the asset register. Forward the forms to the Management Accountant for action on the asset management module.

**What qualifies as CAPEX?**

Additions over $2,000 in value are capitalised. Amounts under this are expensed.

**Capitalisation Thresholds:**

a. Assets are capitalised when the value of an ***individual item*** or the ***value of an Asset Set*** is greater than $2,000.

* *Definition of Asset Set*:
* a group or pool of like assets having the same useful life, and where the value of the individual items is less than $2,000 (e.g. Laptops, Furniture), or
* a group of components making up a singular system where component interdependency exists for the system to operate effectively (e.g. Cost of machine and installation cost).
* This does not include items of a consumable nature or items that can be readily destroyed in the course of normal use (e.g. plastic pipettes).

b. Assets must have a useful Life of greater than one year to be capitalised.

c. Operating items including low value Assets below the capitalisation thresholds defined in (a) and (b) above must be expensed.

**Q&A:**

1. **If the supplier invoices us multiple times using a single PO, can we capitalise the assets from all the invoices (if the individual invoices are below $2,000 threshold)?**

Yes, if one purchase order number is used on all the invoices and the total of the purchase order is more than $2,000 threshold. You can capitalise this under definition of asset set above.

1. **Can we capitalise assets if the invoice is below $2,000?**

No, if purchase order is less than $2,000 threshold. It means a group of assets being purchased does not meet the policy requirements.

1. **Does the $2,000 threshold apply to projects as well?**

With projects you must add all the small invoices which makes that asset.

After adding all the smaller invoices, if the cost of that particular asset comes to more than $2,000 (and the useful life exceeds 12 months), then capitalise it. If the total cost of the asset comes to less than $2,000 then expense it.

1. **Why can’t we capitalise laptops if PO/invoice is only for $1,600 given that we have other laptops in the Fixed Asset Register?**

Because the total value of the PO/invoice will be less than $2,000 threshold - it doesn’t meet policy requirements and it must be expensed. ITP’s will generally purchase assets in set (mostly using PO to avoid this situation. It will be unlikely for ITP’s to purchase only one laptop.

**Associated Policies:**

Procurement Policy

P Card Policy

National Delegations Policy

**Associated Forms:**

Fixed Asset and Leasehold Equipment Disposal Form

Mini Business Case

Business Case