

	GILES CHEMICAL		
	COMPANY PROCEDURE		
	Capital Project Approval	Page : 1 of 3	Revision : 01 Date : 08/13/2010
	Author: Matt Haynes		

Personnel responsible:

All company personnel

Safety equipment:

Not Applicable

Summary:

This procedure shall be followed for any project (capital or expense) whose total cost exceeds \$3000.

Policy / Production

1. Each project shall be assigned a project number according to date and incremental number. The format for project numbers shall be in the following format:
 - a. YYDD-# (for example, the 5th project initiated in June of 2007 would have a project # of 0706-5)
The number of projects already assigned for the month can be found in the [Capital Projects Log](#).
2. Once a project number has been assigned, it shall be recorded in the [Capital Projects Log](#) and a subfolder with project number and project name shall be created in the [Capital Projects](#) folder. The actual status of the project shall be indicated in the Capital projects log.
3. In order to begin the formal approval process, detailed analysis of the project should be performed and an [Authorization For Expenditure](#) (AFE) form shall be completed (This shall include the Premier overview sheet as required by management). All yellow fields on the AFE should be completed accurately with detailed explanation of the steps and expenditures necessary to complete the project. If new equipment is to be added or old equipment to be retired, review the Asset Management Schedule on Page 2 of the AFE with the controller prior to submitting for approval.
4. Upon completion of the AFE form, the project manager shall sign and date the form and forward to his or her supervisor and upper management for review and approval. The AFE shall then be forwarded to the controller for review and approval. The controller will enter the project # in the accounting system for correct posting of project related expenditures. Finally, the AFE shall be reviewed and authorized by the president.
5. Once approved, the project manager may begin issuing purchase orders. A copy of the signed AFE must be attached to the first purchase order submitted to Purchasing. Copies of all purchase orders should be filed in the project folder by the project manager.
6. If the project manager determines that the project will significantly; deviate from the original scope, fail to accomplish the stated objectives, or cost more than the projected amount, an amended AFE should be completed and approved prior to continuing with the project
7. The project manager shall place all forms and associated documentation in the project folder and notify the Controller that the asset has been placed into service.



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TRAINING DOCUMENTATION

	EMPLOYEE	TITLE	SIGNATURE	DATE
1	Jason Bumgarner	Production Manager		
2	Matt Haynes	Director of Man.		
3	Patrick Owen	Process Engineer		
4	Stacy Lindsey	Safety Manager		
5	Robert Willis	Maintenance		
6	Darrell Clark	Controller		
7	Clark Williams	Manager		
8	John Torres	Manager		
9	Mike Sonderman	Manager		
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