# Purpose

This Standard Operating Procedure (SOP) covers the steps for purchasing CAPEX items. A paper CAPEX form still needs to be completed and approved. The CAPEX approval process is mapped and published in Promapp.

After approval, the Fixed Asset Shared Services Team provides a NAXT Fixed Asset number and other details required to raise a purchase order, to the purchaser or relevant sales person.

The steps for creating, confirming and receipting the Purchase Order are detailed in **PUR\_1.1\_Create a PO for Non-inventory Items**.

**What is covered in this guide**

[Task 1. CAPEX request process 3](#_Toc523721451)

[What next? 4](#_Toc523721452)

# Terminology

|  |  |
| --- | --- |
| CAPEX items are: | * An expense where the benefit continues over a long period (more than 1 year). * The expense is a one off. * Results in acquisition of permanent assets, e.g. a new laptop, tools to be used in the workshop or an alteration to a building. * Care must be taken to distinguish between capital expenditure and repairs and maintenance. If you are unsure about your CAPEX please contact the Fixed Asset Shared Services Team and they can help you make the decision. * Assets that need to be capitalised should be over $500.   + **Example as per IRD guidelines** If we buy, 5 computer screens at $100 each on the same invoice, they will need to need to be capitalised. If they were purchased individually they are classed as OPEX. |

# Use of icons

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Business rule** |  | **Key point / Tips** |  | **Information** |

1. CAPEX request process

|  |
| --- |
| 1. Complete a **CAPEX Request Form** |
| CAPEX request forms are located on the intranet under **Forms > Downloadable Forms / Templates**  C:\Users\StephC\AppData\Local\Temp\SNAGHTML1dac97f.PNG |
| 1. Complete the second sheet of this excel file **CAPEX Form**   C:\Users\StephC\AppData\Local\Temp\SNAGHTML1dfb0b2.PNG |
| 1. Use the drop down menus to select the relevant information   C:\Users\StephC\AppData\Local\Temp\SNAGHTML1e07ee9.PNG |
| Items lower down the list are dependent on previous selections |
| 1. If your request is for IT equipment, also complete and print the **IT CAPEX** tab   C:\Users\StephC\AppData\Local\Temp\SNAGHTML1e3f743.PNG |
| 1. A new furniture tab which lists some standard choices has been added to the document, use this tab in the same way as the IT capex tab. |
| 1. Send completed CAPEX forms to [capex@goughgroup.co.nz](mailto:capex@goughgroup.co.nz), they will organise any/all approvals |
| 1. Once approval is given the Fixed Asset Team will finish processing |
| 1. Fixed Asset team will email the details required to complete the purchase order to the person who will create the purchase order or raise the invoice if the item is inventory stocked within the Gough Group |

What next?

|  |  |
| --- | --- |
| To create, confirm and receipt a Purchase Order | See **PUR\_1.1\_Create a PO for Non-inventory Items** |