

Capitalization Policy

Roles and Responsibilities

Purpose

This section outlines the specific roles and responsibilities of personnel involved in the implementation and maintenance of the organization's Capitalization Policy.

Roles and Responsibilities

1. Finance Department

- Establishes and reviews capitalization thresholds and guidelines.
- Maintains accurate records of capitalized assets.
- Reviews supporting documentation for assets to ensure compliance with policy.
- Prepares reports for management and external auditors as required.

2. Asset Custodians / Department Heads

- Initiate requests for asset capitalization as per policy criteria.
- Ensure proper documentation and approvals for asset purchases.
- Perform annual physical inventory of department assets.
- Inform Finance Department of asset disposals, transfers, or impairments.

3. Procurement

- Ensure assets procured meet the organization's capitalization criteria.
- Collaborate with Finance and Departments to validate asset classifications.
- Forward relevant supporting documentation to the Finance Department.

4. Senior Management

- Approve the Capitalization Policy and any significant amendments.
- Provide oversight to ensure compliance with policy and regulatory requirements.
- Allocate resources for training on policy implementation.

5. Internal Audit

- Periodically review and test adherence to the Capitalization Policy.
- Report findings and recommend improvements to Senior Management.

Important Notes

- This document should be reviewed annually for updates in procedures or regulations.
- Roles and responsibilities may be updated to reflect organizational changes.
- All staff should receive training to ensure understanding of their responsibilities under this policy.
- Non-compliance may result in financial misstatements or audit findings.