

# 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.

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### 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.