Financial Commissioning and Capitalisation of Expenditure on Property, Plant and Equipment Guideline

1. Purpose
This guideline provides recommendations regarding best practice for the requirements and responsibilities of officers in the financial commissioning and capitalisation of infrastructure works in progress (CWIP, SWIP).

This guideline forms part of the Department of Health’s policy framework and has been developed to assist officers within Hospital and Health Services (HHSs), divisions and project teams to accurately recognise and report assets to meet Queensland Health’s asset management and compliance requirements.

This guideline should be read in conjunction with the related documents outlined in Section 3. The project director and/or responsible officer shall familiarise themselves with these documents to assist in understanding the policy framework.

2. Scope
This guideline provides information for all employees, contractors and consultants within the Department of Health divisions and commercialised business units.

3. Related documents
Authorising Policy and Standard/s:
- Financial Commissioning of Capital Infrastructure and Software Works in Progress Policy
- Implementation Standard for Financial Commissioning of Capital Infrastructure and Software Works in Progress

Other Policy and Standards:
- Australian Accounting Standards Board (AASB) Directives:
  - AASB 116 Property, Plant and Equipment
  - AASB 136 Intangible Assets
- Capital Infrastructure Project Delivery Policy QH-POL-374:2012
  - Financial Delegations
  - Procurement/Purchasing Delegations
- Queensland Treasury Non-Current Assets Policies for the Queensland Public Sector

4.1 Introduction

All words in italics, excluding legislation titles, have been defined specifically for the purpose of this document and can be found in Section 5 Definition of Terms.

PMIU drive consistent and rigorous governance for statewide planning, delivery and management of quality health infrastructure. PMIU accomplish this by:

- governing Queensland Health’s capital investment program
- leading program analysis and reporting
- providing strategic financial, business and human resource services
- driving program and project governance, benefits realisation, assurance and risk management
- developing and embedding robust policy frameworks.

PMIU has a stewardship role throughout the investment lifecycle for Queensland Health’s infrastructure projects, from initial planning, through delivery to capitalisation and benefits realisation.

PMIU plays a pivotal role in the recognition of assets for Queensland Health’s capital investment, ensuring capital acquisitions and capital works in progress are accurately reflected within the relevant asset register.

4.1.1 Guideline

While this guideline accompanies the Financial Commissioning of Capital Infrastructure and Software Works in Progress Policy and Implementation Standard, specifically
addressing **CWIP** or **SWIP** and **financial commissioning and capitalisation of assets**, the guideline also provides advice for establishing appropriate processes prior to the commencement of a project.

It is recommended these processes be established at initiation stage of the project. Doing so will facilitate the capturing and reporting of expenditure during the life of the project ensuring **capitalisation of assets** is accurately reflected.

### 4.2 Tender process and Building Contractor selection

Queensland Health must engage a suitably qualified **building contractor** through a tender process to deliver a project on behalf of Queensland Health. The **building contractor** is responsible for delivering the building infrastructure of the project.

As part of the construction tender documentation process it is strongly recommended the **project director** and/or **responsible officer** request the provision of information that will assist the HHS, division or project team to easily identify all project components.

It is recommended that tender documents should contain a request for the successful tender to provide:

- all **asset** management information in an electronic format
- details of work undertaken and the date of handover on the **PC Certificate**
- individual building costs for new buildings
- individual building costs for refurbished existing buildings
- site improvement costs such as (curb and channelling, footpath, external lighting landscaping, roads, and car parks for land works)
- costs for all artwork that are not built-in
- a list of all inclusions of software
- a list of **group 1 assets** for all equipment to be installed provided by the sub-contractor, including **asset** identification, physical location, purchase price, model, serial number, maintenance schedule, and warranty information
- reports detailing cost breakdowns of the **asset** information on the agreed contract and/or sub-contracts at progressive identified milestones
- a cost breakdown report for each separately identifiable **asset** accompanying the **PC Certificate**
- **asset** valuation for building costs include inbuilt artworks and plant items as defined in appendix C of the capital or expense information sheet.

Note: These are for consideration as inclusions in contract/tender documents only and will assist in the collection of data allowing for ease of **financial commissioning**. Legal advice should be sought to determine appropriate wording for contract documentation.
4.2.1 Budget allocation and internal order number creation

The project director and/or responsible officer must ensure the project’s total estimated cost and budget for the current financial year has been approved prior to the commencement of the project.

To capture the costs during the life of the project, specific internal order numbers must be created in FAMMIS.

There are 3 types of internal order numbers:

- **series 6 internal order** – direct asset purchase and furniture fittings and equipment (DAP)
- **series 7 internal order** – grant expensing costs, training cost, advertising, opening of facilities (GRNT)
- **series 8 internal order** – capital and software work in progress, construction asset (CWIP, SWIP)

Attachment 1 provides further details of inclusions and exclusions for each series internal order number.

To create the internal order number the project director and/or responsible officer must complete the Internal Order Creation form (Attachment 2) for the relevant internal order number requesting approved budget allocation for the current financial year. The creation of the internal order number will enable expenditure to be appropriately captured for monitoring and reporting purposes.

The project director and/or responsible officer must forward the completed Internal Order Creation form containing the following information to PMIU:

- series internal order number
- funding type (eg: State, Commonwealth, Emergent Works Program)
- project description
- cost centre detail
- the budget for the current financial year
- project director and/or responsible officer approval.

Once the internal order number has been created, PMIU will advise the requesting officer that expenditure can now be charged to the relevant internal order number.

4.2.2 Project expenditure approvals

Recurrent expenditure for a project must have a prior non-recurrent expenditure approval. Once a non-recurrent expenditure approval has been granted, the disbursements under that commitment are authorised as recurrent expenditure and are posted to the appropriate internal order number.

4.2.3 Posting expenditure to an internal order

To ensure the integrity of expenditure posted to each internal order number the following dot points provide guidance on general ledger account codes and their appropriate use.

- for series 6 internal order number - direct asset purchase and furniture, fittings and equipment, the following general ledger account codes are mainly used:
  - 577498 – intra-department asset transfers
  - 577499 – intra-department information services recoveries portable and attractive equipment
  - 577470 - intra-capital projects recovery general ledger codes

Note: 577498, 577499 and 577470 must be used on the debit and credit side of a journal.
  - Note: the above general ledger account codes are used in recording cross adjustments for budgets reporting of non-current physical asset purchases.
  - 536500 - minor works less than $10,000.
  - Note: Divisions and Commercial Business Units seeking reimbursements for asset acquisitions, portable and attractive equipment or capital projects recover costs the above specified general ledger code should be used.
  - Note: advice regarding the accurate treatment of minor works greater than $10,000 contact PMIU.

- for series 7 internal order number- expensing (GRNT), please refer to Queensland Health’s chart of accounts for the appropriate general ledger expense codes.
  - Note: funding allocation managed centrally within HIB.
  - Note: for projects with a total estimated cost of greater than $1 billion, that are not managed by HIB, a series 7 internal order may be allocated and rigorous monitoring of the expenditure within the internal order number shall be required.

- for series 8 internal order number– Capital and software works in progress (CWIP, SWIP), the following general ledger codes are mainly used:
  - Note: A full list of the general ledger account codes is available in FAMMIS.
  - 537002 - capital works building construction
    - Note: this general ledger account is often used for Project Services, Department of Public Works, e-invoicing charges.
  - 577470 - intra-capital project recovery general ledger codes.
    - Note: 577470 must be used on the debit and credit side of a journal.
Note: Divisions and Commercial Business Units seeking reimbursement for capital projects should recover costs using only the 577470 specified general ledger code.

- importantly please do not use the following general ledger account codes in the 
  series 8 internal order number as these are not capital related:
  - 400000 to 499999 general ledger revenue code range
  - 536000 to 536395 general ledger repair and maintenance expense code range
  - 577498 – intra-department asset transfers
  - 577499 – intra-department information services recoveries portable and attractive equipment.

- Note: no direct asset purchase postings should be made against a capital series 8 internal order number. Refer series 6 internal order number.

### 4.3 Ongoing monitoring and reporting

During the life of the project the project director and/or responsible officer shall run and review reports generated from the Investment Management Module in FAMMIS to monitor transactions within the internal order number for correctness and to ensure monthly accruals are posted to the project.

Further, the project director and/or responsible officer shall review, on a monthly basis, the general ledger account codes posted to the internal order number to ensure accurate reporting of capital costs.

- Capital is recognised (refer AASB116 Property, Plant and Equipment) by:
  - the future economic benefits that will eventuate
  - the asset possesses a cost or other value that can be reliably measured.

- Expensing expenditure which is recognised dependent on the nature of the transaction or other events that gives rise to the expense such as:
  - where expenditure produces no future economic benefits (for example fines paid, expense recognised immediately such as paper towels, photocopying paper, levies for computer and rental charges).

Where incorrect expenditure or inaccurate general ledger account codes have been identified as being posted to the internal order number, these transactions shall be reversed or corrected by the responsible officer within the current month to ensure accurate and reliable project reporting.

### 4.3.1 Capital Infrastructure or Software Works in Progress

The costs attributable to CWIP or SWIP are accumulated until physical/practical completion.
CWIP or SWIP is held and reported at cost in Department of Health’s financial statements, and is not revalued or depreciated until the asset is ready for use and has been capitalised to the relevant asset register in the relevant asset class.

4.3.2 Financial Commissioning of Infrastructure Works in Progress

A PC Certificate is issued by the building contractor when control of an infrastructure or group 1 asset is handed to Queensland Health. These are submitted progressively at the completion of each stage of work and/or at the completion of a project with a detailed breakdown cost of each individual asset.

The project director and/or responsible officer shall provide the PC Certificate within five business days of date of issue and always within the same financial year to PMIU.

The accompanying detailed cost breakdown for individual assets shall be provided within 30 business days of date of issue of the PC Certificate to PMIU and shall include:

- individual building costs
- land works costs
- list of group 1 assets
- list of artworks
- details of software.

Note: Where this information is not easily identified from the PC Certificate, the project director and/or responsible officer should seek the required additional information from the building contractor as a matter of priority.

Where a PC Certificate is not issued, the project director or responsible officer shall complete sections A, B and C of the Capitalisation Advice Template (Attachment 6) and provide to PMIU within five business days of the asset being installed or prepared ready for use in accordance with its intended application.

The accompanying detailed cost breakdown for individual assets shall be provided within 30 business days of the date of issue of the Capitalisation Advice Template. The remaining Capitalisation Advice Template sections D and E shall be completed and include:

- separable portion (for each stage completed and in use)
- individual cost breakup per asset
- completion date when asset is put into use
- asset shell (HHS, Division)
- date the work was completed
- signature of Project Director and/or responsible officer.

Note: Where the detailed cost breakdown for individual assets is known at the time of first completing the Capitalisation Advise Template all sections of the template are to be completed and forwarded to PMIU within five business days of the asset being installed or prepared ready for use in accordance with its intended application.
4.3.3 PMIU and Capitalisation

On receipt of the PC Certificate or Capitalisation Advice Template and detailed cost breakdown for individual assets, PMIU shall:

- verify the internal order number for the project
- generate a FAMMIS transaction report detailing the expenditure in CWIP or SWIP
- review and ensure that current year to date expenditure is accurate. Where not accurate advise the Project Director and/or responsible officer to complete corrections
- advise the responsible officer of any transactions that have been incorrectly posted to the series 8 internal order number requiring rectification
- review the breakup costs provided by the building contractor relating to the asset to be capitalised
- confirm breakup costs balance to the CWIP or SWIP expenditure in the internal order number.

At the completion of the assessment PMIU will complete the Transfer Work in Progress form and forward to the asset officer. Accompanying the Transfer Work in Progress form will be:

- the PC Certificate or completed Capitalisation Advice Template
- the FAMMIS expenditure transaction report
- Building contractor documentation identifying the breakup cost for each asset to be capitalised

4.3.4 Asset creation

The asset officer within the HHS or division shall review the Transfer Work in Progress form for completeness and return to PMIU within five working days ensuring that:

For new buildings and land works:

- PC Certificate or Capitalisation Advice Template and Transfer Work in Progress form is complete, including description
- financial approval for projects refer 1.6.1 Budget allocation and internal order number creation
- asset details are correct for capitalisation including asset class
- the capitalisation date is correct
- FAMMIS transaction report is attached
- breakup costs per building have been identified
- a new asset shell for new asset has been created.

For refurbishments/upgraded building and land works:
PMIU verifies the accuracy of the Transfer Work in Progress form and capitalises the asset to the HHS or division’s asset register.

4.4 Residual costs subsequent to practical completion

There may be further costs incurred by the project after the final handover of the asset to Queensland Health and initial capitalisation. These are still directly attributable costs and will be capitalised to the asset on finalisation of the project. For example, payments withheld while the warranty/defect period is active or invoices from contractors/suppliers issued after completion of construction.

Until a project has been finalised, the responsible officer shall continue to monitor expenditure within the project until the final PC Certificate has been issued by the building contractor and all project costs are settled.

At the completion of the defect period, the project director and/or responsible officer shall, within five business days, notify PMIU that all costs are finalised and submit a final expenditure breakdown report to complete the capitalisation of the asset.

4.5 Handover of Asset

At the time of handover of the asset the relevant HHS or division will begin to incur depreciation expense relating to that asset. All further administration of the asset (ie stocktakes, useful life, impairment reviews) becomes the responsibility of the controlling HHS or division.

5. Review

This Guideline is due for review on 1 March 2015.

Date of Last Review: Not applicable

Superseded: Not applicable
6. **Business Area Contact**
Senior Director, Portfolio Management and Investment Unit,
Health Infrastructure Branch, System Support Services

7. **Definitions of terms used in the policy and supporting documents**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition / Explanation / Details</th>
<th>Source</th>
</tr>
</thead>
</table>
| **Asset**         | A resource controlled by Queensland Health as a result of past events and from which future economic benefits are expected to flow to Queensland Health.  
**Note 1:** An asset includes physical assets, such as buildings and other infrastructure, which provide future economic benefits for more than 12 months and the cost or value of the asset can be reliably measured. Any item which has a life of less than 12 months is expensed under a maintenance or operational budget and cannot be classed as an asset.  
**Note 2:** Portable and Attractive equipment that does not meet the asset recognition threshold is expensed.                                                                 | Health Infrastructure Branch (HIB), System Support Services Division (SSS) |
| **Asset class**   | The prescribed category of asset which is identified by threshold, the type of item.  
**Note:** Asset’s value must reach or exceed the threshold of their asset class as mandated by Queensland Treasury’s Non-Current Asset Policies for Queensland Public Sector.  
**Note:** Asset Classes are as follows:  
- land  
- building  
- land improvements  
- Artsworks  
- computer hardware  
- engineering  
- furniture and fittings, leasehold improvements  
- medical equipment less than $200,000  
- medical equipment greater than $200,000  
- office equipment  
- vehicles  
- work in progress  
- computer software purchased  
- computer software work in progress.                                                                                                                                   | HIB                                         |
| **Asset officer** | The person responsible for administering and maintaining the asset register for the HHS, Division.  
**Note 1:** The asset officer maintains the asset register module within Finance and Materials Management Information System (FAMMIS) by creating, updating, disposing, stocktaking and reporting on the HHS’s assets.  
**Note 2:** To assist in asset recognition of threshold refer to 1.3.4, “Asset Accounting Asset Recognition Quick Reference Sheet”.                                                                 | HIB                                         |
<p>| <strong>Asset shell</strong>   | An information record created in the FAMMIS asset module which can then be populated with the description, location of the asset and corresponding                                                                                                                                     | HIB                                         |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Paper 3 (BP3) – Capital Statement</td>
<td>An overview of the Queensland Government’s proposed capital outlays for the State, as well as a summary of the State Government’s approach to infrastructure provision.</td>
</tr>
<tr>
<td>Building contractor</td>
<td>The entity contracted to provide specialist advice, support and services in delivering the construction contract for a major capital infrastructure project on behalf of Queensland Health.</td>
</tr>
<tr>
<td>Capitalisation</td>
<td>The transfer of expenditure from CWIP or SWIP to record an asset in Queensland Health’s asset register.</td>
</tr>
<tr>
<td>Capitalisation Advice Template</td>
<td>The written document completed by a HHS maintenance unit where no Practical Completion Certificate is issued. Note: This template advises PMIU of the completion of a stage of capital works including new buildings, refurbishment upgrades and enhancements, installation of an asset and/or software, installation of group 1 assets and land works.</td>
</tr>
<tr>
<td>Capital works in progress (CWIP or SWIP)</td>
<td>An asset under construction, installation, upgrade or enhancement that is recorded in the Investment Management Module within the Financial and FAMMIS. Note: An asset includes building infrastructure, hardware, software, group 1 assets and land works that upon completion will be identified as an asset in Queensland Health’s financial statements.</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. It represents the annual reduction in the asset’s service potential arising from the production of services. The manner in which the cost of the asset is depreciated over its useful life. The depreciation method used by Queensland Health is the straight-line method. Note: The nominal useful life determines the depreciation rates for Queensland Health’s assets by asset class.</td>
</tr>
<tr>
<td>Direct Asset Purchase (DAP)</td>
<td>The procurement of an item by the HHS, Division which may require the creation of an asset shell linked to the series 6 internal order number. Note: A DAP allows a HHS, Division access to capital funding to procure assets and undertake invoice payments. Note: The series 6 internal order is used for: ● direct asset purchases (DAP) e.g. (x-ray machine, CT scanner) ● furniture, fittings and equipment (FF&amp;E).</td>
</tr>
<tr>
<td>HHS maintenance unit</td>
<td>The HHS service unit responsible for, but not limited to, repairs and maintenance of Queensland Health’s buildings including fittings and finishes, plant and equipment, medical and non-medical electrical and general equipment.</td>
</tr>
<tr>
<td><strong>Department of Health: Financial Commissioning and Capitalisation of Expenditure on Property, Plant and Equipment Guideline</strong></td>
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<td><strong>Note:</strong> This department further provides preventative and corrective maintenance programs, coordinates minor capital works projects and ensures contractual arrangements in service agreements are met by external contractors. HHS maintenance unit are also known as ‘Building Engineering Maintenance Services’ (BEMS).</td>
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<tr>
<td><strong>Financial and Materials Management Information System (FAMMIS)</strong></td>
<td>An integrated business management solution which utilises SAP R/3 enterprise resource planning software. It is a fully integrated system that has enabled Queensland Health to consolidate a range of business processing and reporting functions and implement accrual accounting across all Hospital and Health Services and System Manager.</td>
</tr>
<tr>
<td><strong>Financial commissioning</strong></td>
<td>The transfer of the final value from CWIP or SWIP to a Building/Land improvement, plant and equipment or software asset shell in FAMMIS, upon Practical Completion.</td>
</tr>
<tr>
<td><strong>Group 1 asset</strong></td>
<td>Means an item supplied and installed by a Building Contractor as part of a capital works infrastructure project.</td>
</tr>
</tbody>
</table>
| **Internal order** | The project investment funding account within the FAMMIS Investment Management Module used to capture and report accumulated project costs.  
**Note:** The internal order number is known as a cost bucket within the Investment Management Module of FAMMIS that is used to capture and manage costs associated with capital projects. |
| **Investment Management Module** | The capital investment recording module within FAMMIS.  
**Note:** This module is used to allocate the current financial year budget and the total estimated costs of approved projects that have been endorsed by Budget Paper 3 (BP3) – Capital Statement. |
| **Nominal life** | The nominal life of an asset is the useful life assigned to the asset class to which it belongs. |
| **Non-current asset** | A non-current asset is an asset that is expected to be held for a period of greater than 12 months. |
| **Physical/practical completion** | The stage of a project where the asset is installed/prepared ready for use in accordance with its intended application and ownership has transferred to Queensland Health. |
| **Practical Completion (PC) Certificate** | The certificate issued by the Building Contractor or HHS maintenance unit advising the completion of a stage of work.  
**Note:** This may include complete construction, installation of an asset and or software, installation of group 1 assets or land works, for a new build, refurbishment, upgrade or enhancements. |
| **Project director** | The appointed person within the project team responsible for, but not limited to, overseeing and analysing a project’s financial performance including co-ordinating total project costs, detailed budgets and cash flow forecasts, reviewing project financial reports and authorising contract engagements and supplier invoice payments in accordance with their procurement |
| **Refurbishment** | Remodelling an existing room or building by removing, extending or moving walls, (e.g. lead lining installed in walls for x-ray room), to maintain an existing service or new service. | HIB |
| **Repair and maintenance** | Expenditure incurred to restore an asset to its predetermined condition, capacity or function. The key characteristics of repairs and maintenance are as follows:  
- annual works conducted to preserve the asset’s condition and prevent deterioration and failure  
- restore the asset to its original state e.g. usage of same materials  
- replacement of minor asset components.  
**Note:** Buildings are physical assets which must be properly maintained to ensure that they continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of services. At the same time, the deterioration of buildings due to the lack of maintenance can lead to future financial burdens, pose legal and other industrial relations issues and affect the delivery of services. | HIB |
| **Residual** | Further costs incurred by the project after the final handover of the PC certificate. | HIB |
| **Responsible officer** | The appointed person within the project team responsible for, but not limited to, managing, monitoring and reporting on the project’s financial performance including the preparation and maintenance of detailed budgets, cash flows, monthly financial reporting and cost analysis, maintaining contract, legal fees and consultancy registers and the preparation of the cost breakdown of individual infrastructure assets to HIB.  
**Note:** This officer is also responsible for the creation, monitoring and maintenance of purchase orders, general journals and internal order numbers. | HIB |
| **Series 6 Internal order** | Capture of asset acquisition costs. | HIB |
| **Series 7 Internal order** | Capture of project expensing costs. | HIB |
| **Series 8 Internal order** | Capture costs for transfer to asset under construction asset shell. | HIB |
| **Software Works in Progress (SWIP)** | Work undertaken for new or developed software or upgrade enhancements to existing software. | HIB |
| **Upgrade or enhancement** | Capital invested in an existing asset to improve its condition and performance (service potential) of the asset and extends its useful life. | HIB |
| **Useful life** | An estimated period of time over which an asset is expected to be used, or the benefits represented by the asset are expected to be derived by Queensland Health.  
**Note:** The asset must have an expected useful life of more than twelve months.  
**Note:** All non-current assets having limited a useful life are to be depreciated in accordance with AASB 116, 136, and 138 and Queensland Treasury’s Non-Current Asset policies for the Queensland Public Sector. | HIB |
8. Approval and Implementation

Policy Custodian:
Chief Health Infrastructure Officer, Health Infrastructure Branch, System Support Services

Responsible Executive Team Member:
Deputy Director-General, System Support Services

Approving Officer:
Deputy Director-General, System Support Services

Approval date: 1 March 2012
Effective from: 1 March 2012
Attachment 1 – INTERNAL ORDERS AND TYPES

Three types of Internal Orders
- 6 Direct Asset Purchases (DAP)
- 7 Grant expensing & decant (GRNT)
- 8 Capital Works in Progress (CWIP)
  Software Works in Progress (SWIP)

Series 6 DAP
- Fitted and financial assets
- HBS Division costs, attached to asset shell creation to procure and payment of invoices
- Equipment – HTER
- Information Technology (ICT)
- Furniture Fittings
- Used for expensing items relating to Portable, Plant & Equipment
- Purchase of Land and Building

Series 7 GRNT
- Hill use only
- Internal order captures transactions that are expensed
- Planning and management costs (if project is not continuing) progressing
- Recognition of capital expenditure for leases. The general policy is treat leasehold improvement as an expense, however an assessment may be made on individual projects. Please seek advice from the Asset Accounting Team in Finance Branch.

Series 8 CWIP and SWIP
To enable accurate capitalisation, individual financial assets within a project are required to have:
- Individual building costs specific to the project site (including built-in artworks) for new buildings
- Individual building costs specific to the project site (including built-in artworks) for refurbished existing buildings
- Costs associated with land work, (external works, site improvements, landscaping, road works, paving, curb and channelling, footpaths, external lighting and car parks)
- List of group 1 assets
- Costs for all artwork that is not built-in
- List of all inclusions of software
- Recognition of capital expenditure for leases (>100K). Please seek advice from the Financial Accounting and Asset Team in Finance Branch
- Ensure transactions are capital related costs
- No repair and maintenance to be charged
- No intra department asset transfers or information services recoveries portable and attractive equipment
- No revenue to be posted to the series 8 internal order
- Transactions not relating to capital must be journalised out each month and prior to financial commissioning.
  ○ Note: transactions posted can only be corrected within the same financial year, therefore it is vital project transactions are reviewed each month
- Practical Completion Certificate (PC) or Capitalisation Advice Template is required for financial commissioning within the same financial year the document.
Attachment 3 – INTERNAL ORDER BUDGET TRANSFER FORM

<table>
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<tr>
<th>Portfolio Management and Investment Unit</th>
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<tr>
<td>Internal Order Budget Transfer Form</td>
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<td>IMR1 Position ID:</td>
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<td>Project Title:</td>
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<td>Current Year Internal Order</td>
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<td>Date:</td>
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Attachment 5 – CAPITALISATION CWIP or SWIP PROCESS FLOWS

Financial Commissioning of Capital Works in Progress & Asset Capitalisation

- Project Complete
  - Practical Completion (PC) Certificate or separable portion advice received from Building Contractor.
  - No
    - Notify PMO
  - Yes
    - Project Director and/or responsible officer forwards PC Certificate to PMIU.

- HHS/Division to forward Capitalisation Advice Template to PMO.

- Project Director and/or responsible officer forwards completed Capitalisation Advice Template to PMIU.

- Project Director/responsible officer will provide the breakup cost per asset class and forward to PMIU.

- PMIU
  - reviews expenditure transactions for correctness and accuracy
  - identifies incorrect expenditure and prepares adjustment journals
  - forwards the following to HHS/Division (SSP Asset Officer)
    - PC Certificate or Capitalisation Advice Template
    - expenditure report
    - FAMMIS transaction report
    - Transfer Work in Progress Building/Land Works and Equipment form.
    - Sends documentation to Asset Officer

- PMIU within 2 business days

- For new building/land improvement works the asset officer
  - creates FAMMIS asset shell
  - ensures asset details are complete
  - checks asset capitalisation date
  - returns completed and authorised form to PMIU.

- For existing refurbished/upgrade building/land improvement the asset officer
  - provides relevant asset shell
  - reviews useful life
  - writes off existing asset component
  - returns completed and authorised form to PMIU.

- PMIU capitalises the asset within FAMMIS.

- Within 30 business days

- Within 5 days & same financial year

- Effective From: 1 March 2012

Version No.: 1.2
### Attachment 6 – CAPITALISATION ADVICE TEMPLATE

**CAPITALISATION ADVICE TEMPLATE**

*Project Directors or responsible officer to Complete*

Please complete form and return to the Portfolio Accounting Team, Health Infrastructure Branch. karoline.loggatt@health.qld.gov.au and Pauline.Klus@health.qld.gov.au

**PART A**

Project Name:
Internal Order Number:

**PART B - PROJECT STATUS**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Project completed?</td>
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<tr>
<td>Project still work in progress?</td>
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**PART D - ATTACHMENTS**

- Expenditure reviewed per individual asset (life to date) internal order number.
- Break-up cost per commissioned asset has been provided.

**PART C - AUTHORISATION: Project Director, BEMS, or responsible officer**

Signature
Name:

**PART E - COMMISSIONING WORK IN PROGRESS DETAILS**

Identify each individual building, land works, software and group 1 asset (equipment).

<table>
<thead>
<tr>
<th>Asset Number</th>
<th>Internal Order No:</th>
<th>Description (building, land work, equipment, software)</th>
<th>Asset value $</th>
<th>Date of commissioning</th>
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Signature
Name: