

AUTHORIZATION FOR EXPENDITURE (AFE)

AFE form is used for all **IT spend, capital expenditures** and **other non-recurring spend** of USD \$2,000 or more.
IT Spends >\$15,000 require CFO approval.

UNIT NAME (select from dropdown list):	
PART 1 – TO BE COMPLETED BY ORIGINATOR	
Project Name:	Reason for Expenditure <small>(*requires payback and IRR calculation)</small>
AFE Number:	<input type="radio"/> Cost Saving / Avoidance*
Originated By:	<input type="radio"/> Government Regulations
Request Date:	<input type="radio"/> Business Growth*
Acquisition Date:	<input type="radio"/> Product Development*
Account Number:	<input type="radio"/> Maintenance / Replacement*
Department Number:	<input type="radio"/> Other*
Was this proposed expenditure included in the current year plan?	<input type="radio"/> Yes <input type="radio"/> No
Does this AFE replace another planned expenditure or asset on the books?	<input type="radio"/> Yes <input type="radio"/> No
Please explain:	
Description of Expenditure (please attach project summary if more space is needed):	
Justification of Expenditure (please attach project summary if more space is needed):	
Return on Investment (attach calculation if requested by approver):	
Payback Period (maximum acceptable payback is 2 years):	
Internal Rate of Return (minimum acceptable rate of return is 25%):	

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Purchase or lease value (enter value in Part A or Part B):		
PART A – Purchase:		
Fair market value of acquired property:		
Amount to be capitalized, if different than fair market value:		
Estimated economic life of asset:		
Depreciable life of asset (remaining lease term):		
PART B – Lease:		
Fair market value of leased property:		
Will this lease be classified as operating or capital? [attach analysis]:		
Amount of lease payment:		
Timing of lease payments:		<input type="radio"/> Monthly <input type="radio"/> Annually
Effective dates of lease:	FROM:	TO:
Three competitive bids must be obtained and attached for AFE's greater than USD \$100,000.		
PART 2 – APPROVALS (Additional signature requirements to be determined by CEO and CFO)		
Signature	Approval Level	Date
Chief Executive Officer:	>USD \$50,000	
Chief Financial Officer:	>USD \$25,000	
Business Unit Leader:	>USD \$10,000	
Business Unit Controller:	ALL	
Originator / Project Manager:	ALL	
VP of Operations:	**	
<small>** Required for expenditures at all manufacturing facilities and distribution centers related to any of the following purchases: supplies and materials, new or used machinery and tooling, repairs, replacements, upgrades, building improvements, and MBF projects.</small>		
ATTACHMENTS		
Description of Expenditure:	<input type="radio"/> Attached <input type="radio"/> N/A	Other:
Justification of Expenditure:	<input type="radio"/> Attached <input type="radio"/> N/A	
Return on Investment (ROI):	<input type="radio"/> Attached <input type="radio"/> N/A	
Quotation(s):	<input type="radio"/> Attached <input type="radio"/> N/A	
Costs:	<input type="radio"/> Attached <input type="radio"/> N/A	
Specifications:	<input type="radio"/> Attached <input type="radio"/> N/A	
Lease Analysis:	<input type="radio"/> Attached <input type="radio"/> N/A	