

Chapter 4: Asset Management

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4.1 What is covered in this chapter?

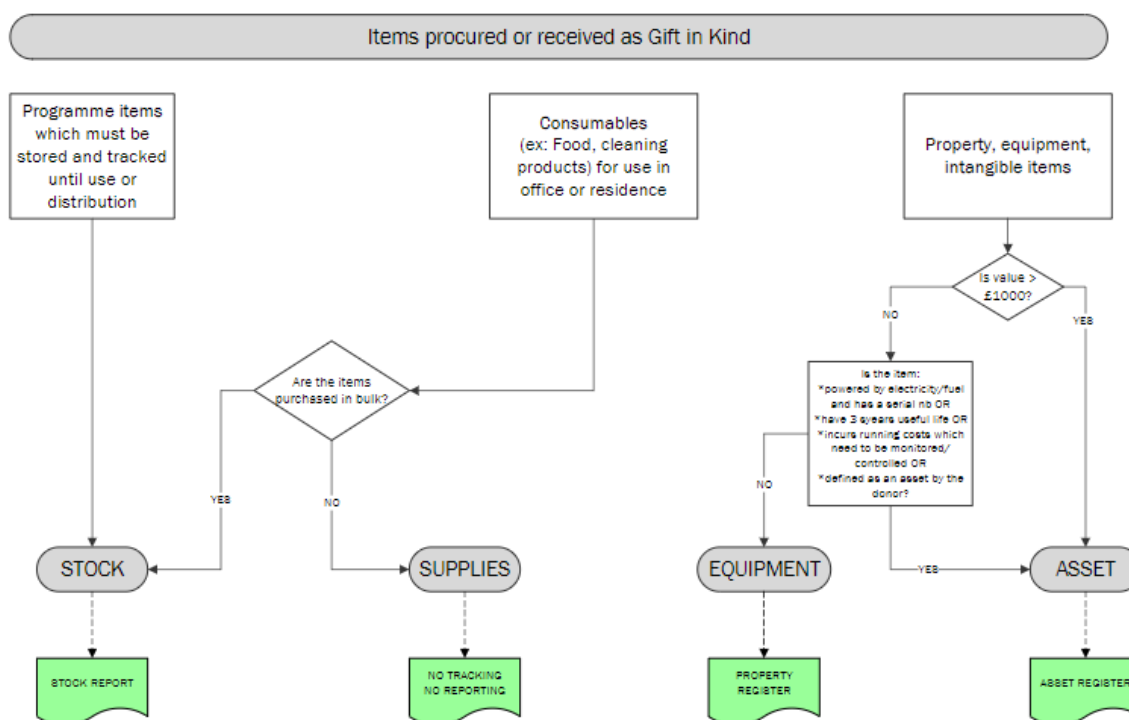
Assets, stock, equipment: definitions
Assets procurement
Assets management
Assets donations
Asset disposal plans
Asset ownership

Overall accountability for asset management sits with the programme/country manager, however certain aspects are delegated to finance or logistics to ensure segregation of duties. Examples of this are identification and tagging of assets by logistics and valuation and depreciation by finance.

Logistics may also be required to provide data such as valuations to finance and are also expected to deal with the disposal of assets, following the decision-making process conducted by the relevant country/programme managers through the asset disposal plan validation.

ASSET MANAGEMENT	Responsible	Logistics (asset manager)	
	Accountable	Programme manager / budget holder	
	Consulted	Donor	Finance team
	Informed	Donor	Finance team

4.2 Definition of an asset



The below table defines the BRC's understanding of assets. Different partners may have different definitions (especially around the minimum value or useful life of an item), which will be stated in their own logistics or financial procedures.

	Stock	Office supplies	Equipment	Assets
Definition	Consumable items that are tracked and stored until use or distribution	Temporary or disposable consumables, food or cleaning products required on a day-to-day basis, for use in the office or residence	< £1,000 Not powered by electricity No running costs Not defined as asset by donor	> £1'000 or > 3 years useful life or Powered by electricity or Incurs running costs or Defined as asset by donor
Examples	Programme supplies for direct distribution	Stationary	Furniture	Owned property
	Office supplies for distribution to beneficiaries, partners	Office cleaning materials	Housing equipment	Vehicles
	Vehicle spare parts, fuel	Food for office consumption	Household items	Comms equipment IT hardware Large household appliances
Reporting requirements	Stock report	None	Property register	Asset register
Storage location	Warehouse	In the office	In use or in store room*	In use or in store room*

*The storeroom is typically a small room in the office where a small stock of office supplies is kept.

Asset management requirements are defined in the **GAD**, together with any other specific requirements, whether they come from BRC or from a donor (Section 6 in the standard GAD). Where it has been agreed that the partner will use their own asset management procedure, this requires prior approval and must be mentioned in the GAD.

One person from either logistics or finance must have operational responsibility for asset management, delegated from a country or programme manager. However, efforts to ensure compliant asset management will vary between projects and must be carefully allocated, as it might exceed existing staff's capacity.

In large, multi-site operations, **an asset manager should be hired** to ensure compliant asset management.

The task of asset management can be part of an existing role, such as logistics officer or finance officer, or could exist as a standalone role (asset manager)

In certain operations, assets may be managed at a programme or project level, but it is recommended that someone is allocated the task of centralising asset management (see above RACI matrix for reference).

4.3 Categories of assets

There are multiple categories of assets and it is important that assets are grouped in the right category, from the project procurement plan (or handover/donation plan) to the asset register and exit plan of action.

Fleet	Communications & IT	Buildings	Household	Tools	Medical equipment	Intangible Assets
Vehicles Motorbikes Forklift Digger Generators Solar System Setup	Telephones Smartphones Satellite phones Radio sets Radio base stations Satellite dish Handheld GPS Laptops Desktops Printers Scanners CPUs Digital tablets	Any owned property, built or land Includes temporary structures such as Rubhall	Office Safe Fridges Freezers Cookers Power stabilizers Surge protector Fans Air Conditioning units Washing machines TV	All tools, powered or mechanical	All specialized equipment All assets falling under other categories but used in medical settings should not be classified as medical. Ex: a fridge used in a hospital is a Household asset, not a medical asset. An oxygen concentrator is a medical asset however.	Insurance Software licenses Patents
Within criteria: > £1000 OR > 3 years useful life OR Powered by electricity or fuel, has a serial number OR Incurs running costs OR Defined as an asset by donor						

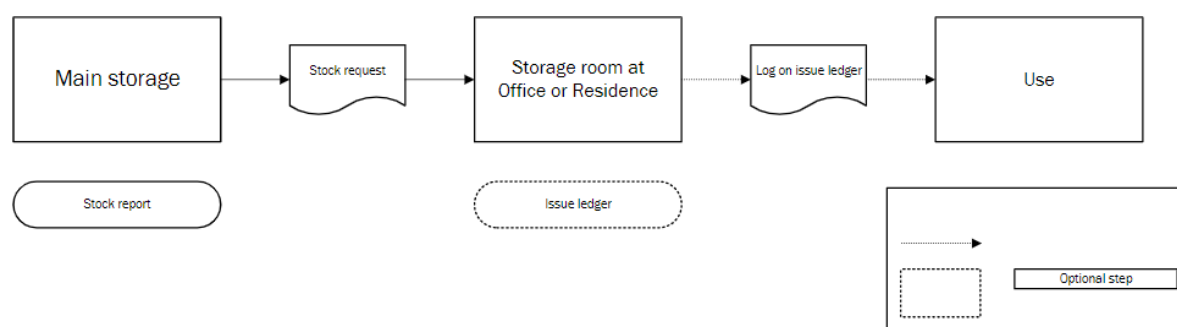
Note: it is good practice to track intangible assets on the asset register. Some donors may require tracking intangible assets.

4.4 Items that are not to be managed as assets

4.4.1 Consumables/office supplies

Consumables don't need to be taken as stock or assets, as their value is usually low. These include cleaning materials, stationery, lightbulbs, and other replacement items.

These would typically be taken out of a bulk storage area into a smaller storage space, accessible only to logistics staff. It is recommended that usage is tracked in a simple ledger book, though in smaller operations this may not be necessary.



4.4.2 Equipment

Items that are worth less than £1,000, not powered by electricity, do not incur maintenance costs, have a useful life of less than 3 years, and are not defined as assets by the donor who funded their purchase, are classified as equipment and should be tracked on a **property register**.

Furniture, unless an item worth more than £1000 should be included on the **property register** rather than on the **asset register**.

4.4.3 Stocks

For the management of stocks, refer to Chapter 2.

Assets - basics

- It is important to distinguish assets from equipment, stock and consumables
- Each type of items comes with different tracking and reporting requirements
- An item is an asset if its value is >£1,000, OR if it has >3 years useful life, OR powered by electricity, OR requires maintenance OR donor defines it as such.
- Section 6 of the GAD defines asset management requirements (can be PNS-driven or donor-driven)
- A single person must have overall responsibility for asset management
- There are different categories of assets

4.5 Procuring assets

Assets must be identified as such in the **procurement plan** (template ref: Procurement 5a) and estimated lead times as well as processes (for example, quote-based, national or international tenders) must be defined in the procurement plan, so that the procurement processes can begin in time. If an asset must be procured through an international **tender**, the delivery lead time will be longer than if it only requires the collection of quotes. The procurement plan should also identify which assets or groups of assets will require procurement **waivers** (template ref: Procurement 6), where derogations are required.

Before procuring new assets, make sure there are no existing assets that can fulfil the same role. Sharing assets between projects is a way of achieving **value for money**, but not all donors will allow it.

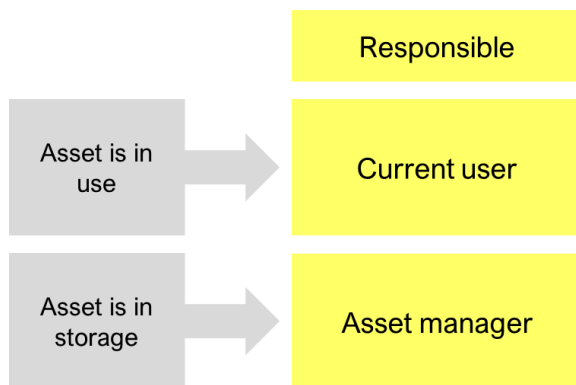
When purchased assets are delivered, a **GRN** must be raised and kept in the GRN files, with a reference to it on the **asset register** so it is easy to trace if necessary.

Seek advice from your regional Logistics Coordinator, as they will be aware of the donor requirements and can tell you about assets that could be used for your project (this is particularly true for vehicles).

For details about the different procurement processes and respective requirements, refer to Chapter 1.

4.6 Registering, tracking and reporting assets, and filing

Assets require more tracking than regular items (see flowchart of definitions). When an asset is received, some of its details must be captured and periodically updated on an **asset register**.



Maintenance services performed on assets must also be kept on file, in order to monitor the usage of the asset.

Assets are typically either issued to staff or kept in storage until they are needed. When assets are issued, the responsibility to maintain them lies with the person to whom they have been issued. When assets are in storage, they are under the responsibility of the asset manager.

Asset transfers must be recorded on **asset transfer forms** and the assets' status must be kept updated on the **asset register**.

The asset register should be used as an asset report and shared with the project team at an agreed frequency (most commonly monthly), but also with donors when they request it and with the finance team when they require information about the value of assets.

4.6.1 Registering assets

When assets are received, an asset folder must be created and references captured on the asset register, so GRN and PO can easily be traced back.

The asset manager is in charge of tracking the sequence of asset numbers, and of allocating the next available number to the newly received asset following an agreed numbering convention.

Examples of asset numbering conventions:

Name of NS	Country of use	Asset category	Acquisition year	Sequence number
BDRCS/BANGLADESH/FLEET/2019-22				

Or more simply

Name of NS	Sequence number
BDRCS/22	

Any numbering convention is acceptable, but it must be used consistently

The asset number must be captured on the **GRN** (template ref: Procurement 41) and tagged on the asset as soon as possible. Make sure that the asset tags used are secure or engrave/paint the asset number on the asset (on generators, vehicles, etc). This becomes the asset's identification number and must be unique to that asset.

The asset can then be recorded on the **asset register**, where more details will be listed, such as:

- Asset number
- Category
- Description
- Brand/Make
- Model
- Serial number
- Budget codes used to purchase the asset (project code), and donor code (where applicable)
- Date of purchase
- Purchase order reference
- Purchase value
- Current value (provided by finance)
- GRN reference
- Maintenance plan (where relevant – how often does it need to be serviced?)
- Person responsible (must match the most recent asset transfer form)
- Location (current physical location or point of use)
- Status (for example, OK, damaged, in repair, lost, broken or stolen)

All documents related to a single asset must be kept together in **an asset file** – this can be a plastic file, for example, with a cover sheet listing the documents on file and the date at which they were added.

Documents related to the maintenance, transfer, receipt, insurance, sale and donation of the asset must be kept in that file.

All asset files should be kept together in an asset management folder.

Note: When an asset is received as a donation from a partner, it must be allocated a new asset number and entered on the **asset register** as a new asset.

For guidance on asset value, refer to the section 4.5.4.

4.6.2 Asset responsibility

Asset responsibility is allocated through an asset receipt form or **asset transfer form** (both have the same purpose, but the Red Cross Movement generally uses asset transfer forms). Every time the main user of an asset changes, an **asset transfer form** must be completed and kept on file, and the asset's status must be updated on the asset register. When the asset transfer form is complete, the user of the asset assumes responsibility for it and their name must be recorded on the asset register as the current user.

When an asset is not allocated to any specific person, it is the responsibility of the asset manager and must be shown as such on the asset register. It is then the asset manager's responsibility to ensure the asset is stored safely and securely while not in use and that the necessary maintenance services are performed.

The asset manager should have access to a storage space to hold the unallocated assets, which can be anything from a locked cupboard to a storage room. The assets should be stored by category, with their asset tags or markings easy to read while in storage.

Some assets, such as buildings and vehicles, require insurance. Assets must be insured locally unless they are purchased in an organisation that holds global insurance for their assets (always ask your regional Logistics Coordinator to confirm the status of partners' asset insurance).

Unless it is a legal or donor requirement, if the insurance cost is higher than the replacement cost (and if this can be shown through quotes), taking out an insurance policy is not mandatory.

All motor **vehicles** must be insured in compliance with the country's legal regulations and under the name of a Red Cross partner who has legal status in country.

Rented or owned **buildings** must be insured. Insurance policies usually include the building's contents and any high-value items.

Owned buildings/property/land must be captured on the asset register but rented properties may or may not have to be, depending on the duration and financial management of the lease (depreciation can sometimes be applied to long-term rental agreements). Refer to your finance team and/or to the UK-based Logistics Coordinators to confirm whether or not a leased building/property should be on the asset register.

Note: Some donors may require some categories of assets to be insured. In this case, insurance costs should be covered by the donor requesting the insurance.

4.6.3 Asset checks

Asset checks should be conducted regularly. It is good practice to have 5% of the asset register, or a minimum of ten assets (whichever is highest) checked against the asset register by finance and logistics staff in each of the country offices on a monthly basis, using the **asset spot check form**.

All differences must be investigated and reported on the asset spot check form by the staff who conducted the spot check (finance and logistics) and signed:

- Locally: by the asset manager's line manager, programme manager or country manager
- HQ level: by the Head of Logistics

The asset spot check form must be signed within a month of being raised, asset checks are required by default, unless otherwise specified in the GAD. The asset spot check form does not need HQ sign-off if it does not identify discrepancies.

Following the monthly asset spot check, the asset register must be updated and the spot check form should be attached to the next dissemination of the asset register.

A full physical check of all assets must be completed by finance and logistics staff on an annual basis, preferably just before the end of the financial year. All differences must be investigated and reviewed per the same process as for asset spot checks. Following the annual asset check, the asset register must be updated, and the approved investigation report must be attached to the next dissemination of the asset register.

All asset check forms must be kept in the asset management file. The asset manager must keep track of the assets that have been checked during the monthly spot checks to ensure that different assets are checked each month, on a rolling basis.

Asset tracking

- Identify assets in the procurement plan
- Check for regionally available assets before purchasing new assets
- Be aware of applicable donor requirements
- All assets must be numbered, tagged and tracked on the asset register
- Assets should have individual asset files with all documents available
- When an asset is not in use, it is under the responsibility of the asset manager
- Regular asset checks must be completed and discrepancies reported

4.6.4 Reporting on assets

Most donors require regular information about assets purchased with funds they have provided. The details in the asset register should cover all the information they require, but it is good practice to agree beforehand on the information that will be shared.

Whenever new partnerships are designed, it is advisable that the future grant recipient shares their version of an asset register with the donor, to ensure that the level of information is sufficient. Some donors may require asset reports to be submitted in a specific format – this is sometimes not negotiable, so expect to have to use different formats in which to plug the information captured in your asset register and make sure all assets on your asset register are associated with the donor who funded their purchase so that you can easily extract the information that is relevant for each donor.

Assets that have not been used for over a year should be reported to senior management by the asset manager, to discuss potentially disposing of them.
See Section 4.6.2 on asset disposal

4.6.5 Asset depreciation

The value of assets owned by an organisation sits on its balance sheet. Keeping the balance sheet updated is usually the responsibility of the finance team, but the information required for the process is often shared between logistics and finance. Communication between teams is critical when it comes to recording the right assets at the right value.

In the BRC, see the “Guidance on accounting for fixed assets” (available on Redroom) for information about capitalising assets. Note that in UKO, each team is responsible for their own assets and must maintain an asset register to be shared with the finance team when required (for the end-of-year report for example).

At BRC, Assets with a value above £1,000 and with a useful life of more than one year must be capitalised and depreciated. Further details can be found in the policy.

The value of assets decreases during their life and must be updated in the organisation’s balance sheet accordingly. Depreciation is usually applied once a year, and the updated value of the asset should be captured separately from the purchase value in the asset register, following an annual meeting with finance to adjust the value of depreciated items. Finance should be consulted to understand which assets incur depreciation (not all of them will).

An asset will typically be allocated a life cycle of x years, and its value will decrease by the same amount every year for x years. At the end of x-year life cycle, the asset’s value will be 0. Those 0-value assets still need to be managed as all other assets, and their status must be updated on the asset register.

It is not the responsibility of logistics to apply depreciation to the assets. The asset manager must make sure the depreciated values are computed and shared in due time to report on the total value of assets.

4.6.6 Asset maintenance

Assets that require regular maintenance or inspection services typically include:

- All fleet, including generators and mechanical handling devices (i.e. forklifts)
- Buildings, whether owned or rented
- Medical equipment
- IT and comms equipment
- Some household items

4.6.6.1 Regular maintenance

Regular maintenance should be incorporated into the usage cycle of assets. For example, it should be expected that maintenance requirements will prevent vehicles from being used for

a couple of a days every quarter; this should be reflected in the fleet plan and the drivers' allocation plan.

A maintenance planner should be used to visualise all completed, ongoing and upcoming maintenance, and covering all the assets that require maintenance. A maintenance planner is included as a tab in the **asset register** template. It is important to consider legal requirements that apply to categories of assets: for example, an annual vehicle inspection is required in certain countries, with the renewal of the roadworthiness certificate.

See Chapter 5 for more details on fleet maintenance and maintenance planning.

Most of the maintenance requirements for buildings in the UK will be covered by BRC's maintenance service provider.

To request a maintenance service, contact SSC, so they can schedule it via the Facilities management contractor.

See the BRC [portable appliances technical guide](#) for details of the maintenance procedures to follow regarding BRC-owned electrical assets in the UK. This guide should inform the maintenance planner for the UK logistics team.

See [guideline for maintenance of BRC-owned vehicles](#) in the UK.

4.5.6.2 Unplanned maintenance

Unplanned maintenance needs must be identified as such and avoided as far as possible. When they do occur, a **maintenance request** must be authorised by the asset manager, and the associated costs should be recharged to the budget code of the user requesting the maintenance.

4.5.6.3 Cost of maintenance

The cost of maintenance associated with an asset should be monitored, with copies of invoices for maintenance services included in the individual asset files kept in the asset management folder.

Looking at the cumulative value of maintenance costs associated to a specific asset can support a decision to dispose of an asset, replace it or to switch to renting rather than owning similar items.

It is important to track maintenance costs at asset level. For example, it is not as helpful to know how much was spent on vehicle maintenance in a month as it is to know how much has been spent on each vehicle specifically.

For vehicles, generators and some electrical/medical equipment, maintenance should also be captured in the logbook.

Management of assets

- The asset manager maintains the asset register
- The asset register must be shared regularly
- Different donors have different asset reporting requirements
- BRC depreciation policy requires straight-line depreciation unless otherwise specified by donor
- Asset depreciation does not apply to all assets, and does not always apply at the same rate
- Maximise planned maintenance to minimise the need for unplanned maintenance
- Record all maintenance events and costs per asset

4.7 Asset donations

4.7.1 Receiving an asset donation from a partner organisation, donor or commercial actor

No asset can be received without an asset **donation** certificate being raised (ideally by the donating party rather than the receiver, although the receiver can raise the receipt) and a GRN, signed by both parties.

The donation receipt must show all details relevant to the asset being donated, including:

- Original purchase value
- Current depreciated value
- Origin (supplier, manufacturer)
- Insurance requirements
- Maintenance records

The asset is tagged with a new number, per the numbering sequence maintained by the asset manager.

The asset is recorded on the asset register, with both the purchase value and the current depreciated value. It should be marked as a donation, with reference to the donation certificate or receipt number. Ideally, a **donations tracker** should be maintained and updated with any received donation.

The asset donation certificate should be kept on file.

Receiving a donated asset



4.7.2 Donating an asset to other organisations

No asset can be donated without a **donation certificate** being raised by the donating party and mutually signed. Note that the level of approval of the donation certificate will depend on the total amount of the donation.

Up to £50,000	Budget holder (e.g. Programme Manager / Country Manager) + Finance
Up to £100,000	Head of department/head of region (LogCo consulted)
Up to £1,000,000	Programmes & Partnership Director international
Up to £5,000,000	Executive Director International
Above £5,000,000	CEO and CFO (ELT informed)

Refer to section 4.7 on asset disposal for more details.

Note: regardless of the total value of the asset donation, it is critical that the budget holder is informed in case an asset purchased with the budget they are responsible for is considered for donation.

Where applicable, ensure the donor has agreed to the asset donation. Depending on the donor, this may be through a formal submission of the asset disposal plan for approval and should be submitted through the relevant donor facing colleagues.

The donation certificate must show all details relevant to the asset being donated, including:

- Purchase value
- Current depreciated value
- Origin (supplier, manufacturer, etc)
- Insurance requirements
- Maintenance records

The donated asset must be kept on the asset register but marked as donated, with reference to the donation certificate number.

The asset tags and any other Red Cross visibility and data must be removed from the asset before it is physically transferred to the receiver.

Ensure that the applicable taxes are paid by the agreed party. Note: Assets imported in a country on a tax-free basis often require payment of taxes at the time of donation. The receiver must be aware of all the costs associated to owning the asset (tax, registration, maintenance, etc.) and agree to cover the costs.

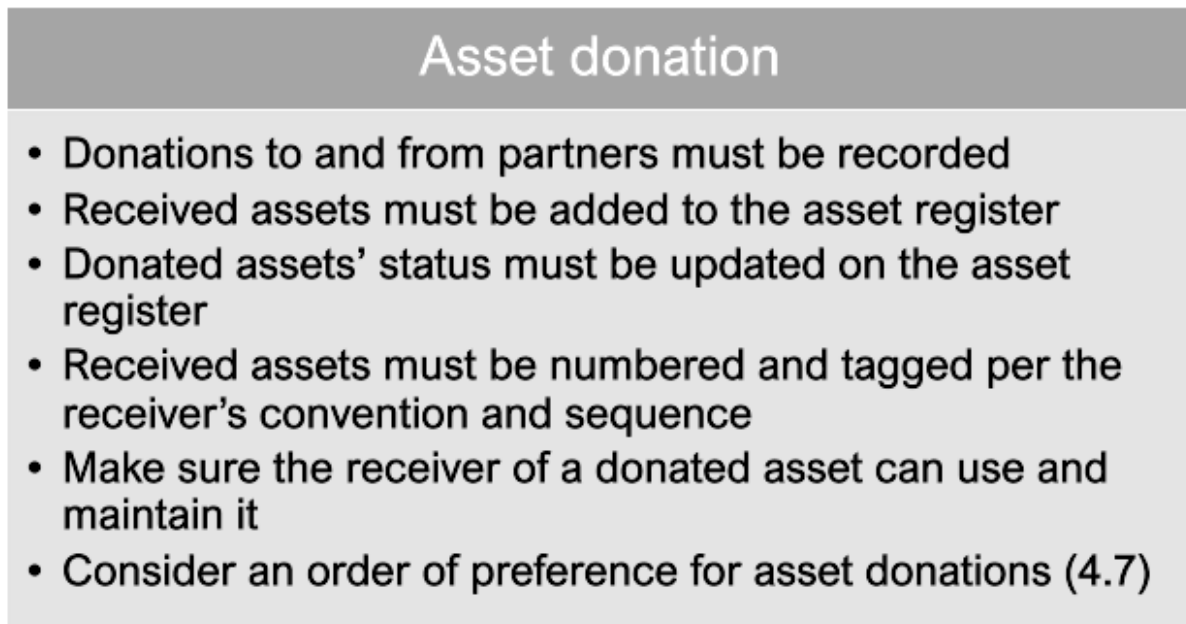
In the case of donating assets that are more sophisticated than those usually available in the country or region of donation, ensure that the receiver has been trained on the usage and maintenance of the asset, and that they understand that the donating party will accept no responsibility in case of harm or damages caused by the use of the asset.

See section 4.8 for more details on the overall asset disposal process (donation is one of several disposal options).



See [guidance](#) for asset disposal or transfer in the UK.

Ideally, a **donations tracker** should be maintained and updated with any donation to other organisations.



4.8 Asset disposal

When closing down an office/operation/programme, all assets should be allocated a disposal option in an **asset disposal plan** that forms part of an overall exit plan of action. The selection of options through the asset disposal plan is the responsibility of the budget holder (programme manager or country manager), implementation of the disposal plan is delegated to Logistics.

In order of preference, assets that need to be disposed of should be:

1. Donated to the HNS
2. Donated to another RC Movement partner
3. Donated to a partner
4. Donated to another humanitarian organisation
5. Sold
6. Destroyed

Separate to these options, the option to export the asset back to the UK for further use should always be considered, based on the type of item, value and relevance in the local context. Consult the Logistics Coordinators to enquire about the relevance of returning an asset to the UK.

The budget holder must select the best option from the above list when creating the asset disposal plan.

The asset manager is responsible for managing the asset disposal process following the above RACI matrix (see Section 4.1). However, accountability for the process lies with the budget holder who must initiate the process, make the relevant decisions about each asset's disposal and ensure all steps are followed properly through to sign-off of the disposal plan.

		Task	Method
Designing the disposal plan		Confirm and compile list of assets and high-value stock as part of the exit plan of action (refer to the updated asset register)	<ul style="list-style-type: none"> - Physical check - Use the list to update status as the disposal process progresses - Propose list to UKO for validation - The list must include damaged items and those that have already been pledged (which should be marked as such) - The list must indicate purchase value, current depreciated value and donor codes.
		Consider donor/government requirements	Obtain guidance from donor and local government on asset disposal
		Consider return, transfer or disposal options	<p>Committee at UKO to be constituted (can include members from logistics, finance, IT and programme team and donor representation) to agree disposal route:</p> <ul style="list-style-type: none"> - Export to return to UK - Transfer to <u>other</u> programme locally (BRC, HNS, consortium) - Donation - Sale - Destruction <p>Committee to consider donor requirements, Value for money, repair options and costs, on-going maintenance/running costs (potentially impacting the HNS adversely) and cost of repatriation (including carbon footprint analysis).</p>
		Option	Method
Implementing the disposal plan		Donation to HNS, PNS, IFRC or other NGO *Donation to staff is strictly prohibited	<ul style="list-style-type: none"> - Communicate the asset list to organisations to see if anything within the list is needed for their programme. - BRC need to ensure that assets will be used and should consider what other PNS will do to reduce the risk of overwhelming the HNS with assets. - Confirm with local legal advisor that there is no problem transferring assets under the IFRC Integration Agreement. - Donation certificate will be required
		Sale	<ul style="list-style-type: none"> - Bill of sale must be raised, signed by each party. - Depending on quantity of items to be sold, consider contracting a company to manage the sale. - Tax implications of sale must be carefully researched. - Proceeds of the sale must adhere to donor requirements
		Destruction	Consider local environmental law and associated costs and requirements (especially for dangerous goods and fluids). Consider contracting recycling companies and associated costs and donor requirements.
		Export back to UK	Costs must be investigated and approved by UKO committee

Reporting losses: All lost or stolen assets should be recorded on the **frauds and losses register** as they occur. BRC requires all asset losses to be reported through Datix incident management system.

Damaged assets must be identified as such – logistics must be consulted on repair options and arrange for agreed repairs.

The overall exit plan of action, and the asset disposal plan in particular, must be signed off according to the total value (that is, the purchase value, not the depreciated value) of the portfolio of items/assets being disposed of following the thresholds listed below and signed off in the MPB if there is one.

Up to £50,000	Budget holder (e.g. Programme Manager / Country Manager) + Finance
Up to £100,000	Head of department/head of region (LogCo consulted)
Up to £1,000,000	Programmes & Partnership Director international
Up to £5,000,000	Executive Director International
Above £5,000,000	CEO and CFO (ELT informed)

Note: regardless of the total value of the asset disposal plan, it is critical that the budget holder (Programme Manager or Country Manager) is informed at all stages of development of the plan.

Note: the sequence of approvals is important for asset disposal plans:

- 1- MPB if there is one
- 2- BRC per the above table
- 3- donor

Once the **asset disposal plan** has been finalised, it should be circulated to the designated approvers, together with an **asset disposal plan sign-off form**.

The exit plan of action should be updated as the disposal process progresses, so that it is used as a resource to track progress against the exit plan.

4.8.1 Disposal by donation

The preferred option for disposing of surplus stock and assets is to donate them, so they continue to benefit the needs of the communities they were originally sent to help.

It is crucial that assets are handed over in a sustainable way to ensure they add value rather than becoming a burden. It is recommended to clearly state all running and maintenance costs of any asset that is available for donation.

Potential receivers of asset donation (see order of preference to be followed above) should be contacted sequentially with donation offers, with a timeline within which they should respond. Beyond that timeline, the next option can be considered. Dates and offers of donations must be kept in writing.

Do they want them?

A list of the items available should be shared for potential receivers to pick from.

Can they use them?

Sophisticated and specialist equipment may require training before the receiver can autonomously use and maintain it.

Can they maintain them?

Certain items will require maintenance – can the receiver cover the cost?

4.8.2 Disposal by sale

Logistics are responsible for organising the disposal of assets by sale, after all the necessary approvals are obtained.

When selling items, a transparent system must be put in place, with a senior staff member overseeing the process. This could be through sealed-but-publicly-opened bids for higher value items or through a public, live auction with set prices for lower value items.

The following need to be considered:

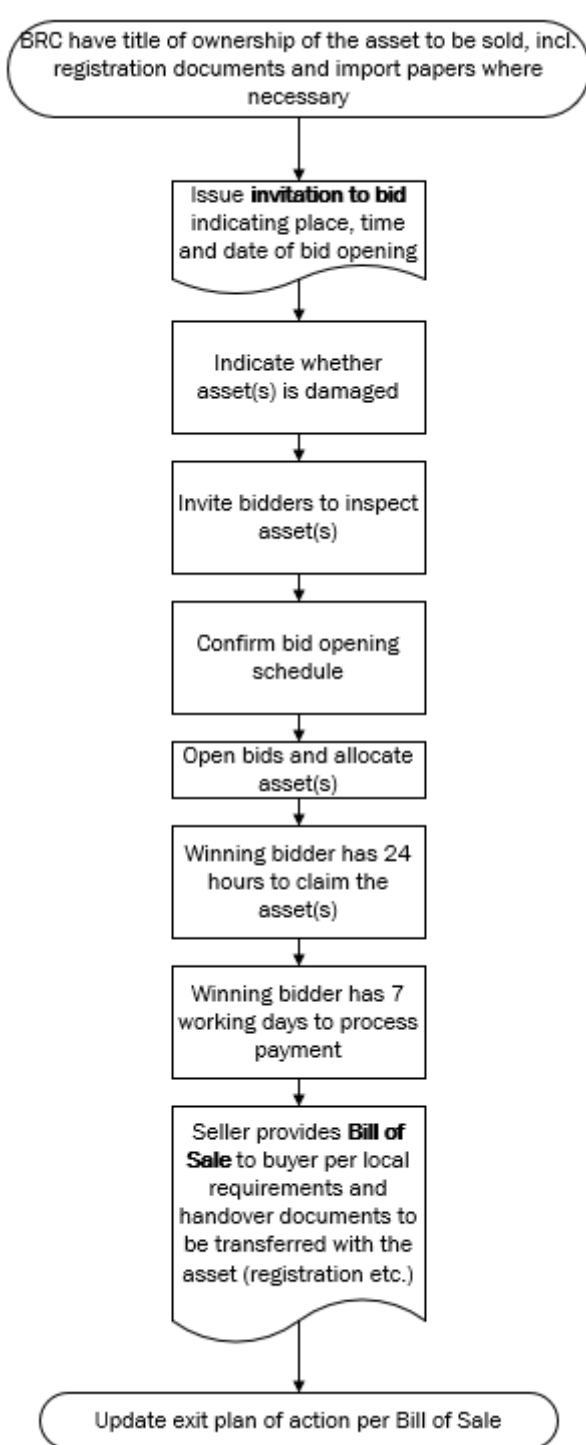
- The estimated sales value of the asset, and the administrative costs involved in a sale.
- If the exchange of asset in partial or full payment for replacement equipment or supplies is possible.
- If the destruction of the asset will be more economical or is required by law or by the nature of the property.
- If the interests of the BRC will be better served by donation of the asset to a National Society or other humanitarian organisation, or transfer to another operational programme.
- If the asset is part of an operational programme, and if there are restrictions on the use of programme commodities and the desires of the donor.
- Whether there are governmental restrictions forbidding the sale of assets imported or requiring import duties to be paid prior to the sale of such goods.
- The public relations impact of such a sale.
- Taxes: if an item is brought into the country without paying tax, it must usually be paid if sold onwards within the country.

Sale of fixed assets should be performed on a sealed-bid basis, to obtain market value and ensure that the sale is both transparent and at 'arm's length' (with no possible interpretation of fraud or collusion). This is done by the following:

- The sale of items or lots with a total value below £500 does not need to be performed by sealed bidding, and prospective buyers may be approached by telephone, letter or in person as well as through the media. After inspecting the asset, they may submit informal bids by phone, email, in writing or in person.
- Competitive bidding. **Invitations to bid** for the purchase of assets are published in local media and issued to pre-identified prospective purchasers, and it is recommended that advertisements be published in the local media to encourage sales. The invitation to bid must specify whether augmented bids will be accepted after the opening of bids; if this is not specified, bidders should not be allowed to raise their bids after the official bid opening. If raising bids after the bid opening ceremony is allowed, bidders must be encouraged in their invitation to attend the sale in person and it must be made clear in the advertising and bidding documents that this will be an option.
- Sale by fixed price may be recommended if the value of the property is known and the fixed price will ensure a fair return to the BRC. However, it may be better to advertise for sealed bids, with the desired fixed price set as a minimum. This minimum set price should not be advertised however to allow opportunity for receipt of higher bids.

Note: The sale of assets to staff is usually not permitted. Should this be allowed as an exception, it must be a transparent process where all staff members have the opportunity to purchase.

4.8.2.1 Selling process



The selling party must have title or legal ownership of the property in order to conduct the sale. Certain items, such as vehicles, require registration documents and import papers.

To prevent misunderstanding or legal difficulties, it shall always be clearly indicated if the property is damaged, used or in need of repairs before it is advertised. Prospective purchasers should be urged to inspect the property before submitting bids.

The sale shall take place as scheduled on the invitation to bid or in the public announcements. If the bid opening time or location is changed, all bidders must be notified. Bidders need not be present to win the bid but must be able to be contacted within 24 hours.

A limited time should be allowed following the sale for payment and removal of property, usually five to seven working days.

The seller shall provide a "**bill of sale**" to the buyer, consistent with local government requirements that should be signed by both parties. Each should retain copies, as well as other documents that may be required to be transferred with the property.

4.8.2.2 Determining fair market value (FMV)

By broad definition, fair market value is the price that would be demanded and paid in a sale involving a willing seller under no compulsion to sell and a willing buyer under no compulsion to buy, assuming both have reasonable knowledge of the relevant facts about the asset.

Consult HQ logistics when there is a need to determine fair market value.

There are few options available to determine an asset's current value:

- If the asset is insured, the finance team can request an appraisal from the insurance company.
- If the above is not possible, an independent authorised surveyor can be contracted to provide value of an asset, based on the standard practice in the specific country determined by law.
- In the case of vehicles or generators, the logistics team can request an appraisal from a vendor of second-hand/used cars/generators (preferably a dealer of the specific vehicle/generator), or from a local mechanic if neither are available. A minor fee is usually required for such appraisals.

4.8.2.3 Actions subsequent to sale

The **asset register** must be updated based on the **bill of sale**, with a copy of the **bill of sale** kept on file.

The organisation's Insurance policy should be updated following the sale.

The proceeds of the sale must be reflected in the monthly accounts and incorporated as income to the programme for which the asset was utilised before being sold.

4.8.2.4 Disposal by public auction

Sales of items or lots of a total value above £500 to third parties are to be conducted by public auction or by submitting sealed bids. Sales are to be made to the highest bidder (subject to the reserve price being met). Exceptionally, local and international staff can bid on items but will have to place the highest bid to win them.

Proceeds from sale	Public sale with fixed prices
Income from the sale of assets funded by donors must be used as co-funding or according to donor guidelines. The money received from the assets' sale must be recorded in accounts as income and not set against the expenditure account.	Reserve prices should be set by a logistics coordinator, with validation from the head of delegation or country representative. They should be roughly equal to prices found on the open market.

4.8.3 Disposal by destruction

Destruction of assets/inventory is subject to local environmental law and can be expensive.

Check for special authorisation from government, especially for the disposal of food, chemical items or dangerous goods found in assets (batteries, fluids, etc).

Recycling companies can be contracted to dispose of assets, though some costs may be incurred.

4.8.4 Writing off obsolete assets – UKO assets only

While stored in the UK, pre-positioned assets are largely managed as stock and kept on a balance sheet – items are purchased with logistics budget and reimbursed by users as they request the assets in stock.

When assets are broken or obsolete before they can be deployed, they must be written off and somehow “paid for”.

Logistics have some budget to cover write-off costs, but where assets have been damaged in use, the user’s team’s budget should cover the cost. A **stock/asset write-off form** must be completed and approved before the asset’s value can be written off the balance sheet.

The destruction or donation of obsolete assets should be budgeted for unless the asset has reached its 0-value due to depreciation.

Note: When an asset has been sold, its value can be offset against the proceedings of the sale without using funds from any other budget.

4.8.5 IT, communications and data management assets specifics

An IT decommissioning policy does not currently exist within the BRC. However, when disposing of any IT, communication or data management assets (such as computers, tablets, phones, GPS devices, radio sets and satellite phones), all the data stored on the device and all the parameters that were set up on it must be wiped off the device, applicable SIM cards removed and accounts closed.

In case of doubt, please contact the regional Logistics Coordinators so they can provide any necessary technical support.

Assets disposal

- Assets can be disposed of either at the closure of a programme or ad hoc
- If a programme is closed, disposal options must be considered in an exit plan of action
- An asset disposal plan must be validated by the right person, based on the total value of disposed assets
- Disposal options are: donation, sale, destruction or write-off
- Report all lost or damaged assets
- Consider order of preference for donations
- Ensure all donated assets are clear of all data and BRC visibility

4.9 Note on asset management and partnerships

Due to the variety of ways of working within the BRC, the responsibility of procuring, maintaining, reporting and disposing of assets may lie with different parties.

The standard types of relationships are listed below, indicating respective responsibilities.

	Procurement	Maintenance	Reporting	Disposal
Bilateral GAD	HNS purchases with BRC funds sent through a GAD	HNS plans and tracks	HNS submits to the BRC	HNS submits disposal plan and sign-off request to the BRC
Indirect GAD (BRC partners with a PNS who implement with a HNS)	PNS purchases per GAD terms (specifies which procurement policy to follow). PNS owns the asset.	HNS plans and tracks	HNS submits to PNS	PNS submits disposal plan and sign-off request to BRC (unless GAD specifies differently)
BRC procurement support to (P)NS (no GAD necessary)	BRC procure with BRC funds and donates to NS	NS per internal requirements	NS per internal requirements (no report to BRC required, unless specified)	NS per internal requirements (no disposal plan/sign-off form to BRC required, unless specified)
BRC asset for BRC use	BRC UK team	BRC UK team	Per BRC requirements	Can be donated individually if standalone items, or through a disposal plan and sign-off request if at end of programme

Note: partnerships with IFRC and/or ICRC normally follow IFRC/ICRC asset disposal procedures.