

## 2.11 Disposing of and writing off stock

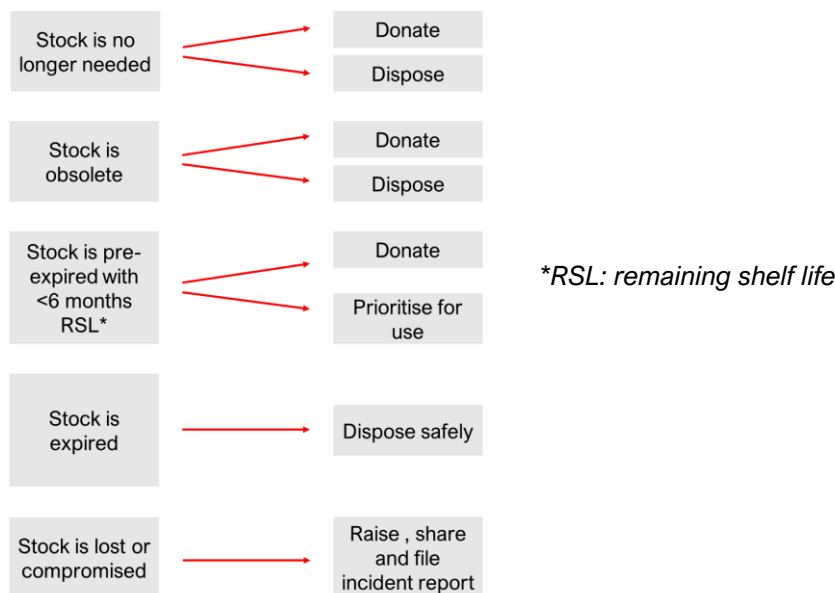
Stock that is not used by its owner should be donated or disposed of, depending on the context and on the quality of the items. In either case, the stock movement must be recorded like any other, and the value of stock transferred must come off the inventory. Stocks owned by the BRC are written off, i.e. taken off the Logistics balance sheet.

The BRC has determined the following priority order, through which asset/inventory disposal must be executed:

1. Donation to HNS
2. Donation to RC/RC Movement
3. Donation to local partner
4. Donation to another humanitarian actor
5. Sale
6. Destruction

Donation to staff is strictly prohibited, though staff/volunteers are permitted to bid on items which are on sale.

There are various reasons to write stock off:



### 2.11.1 Donating stock

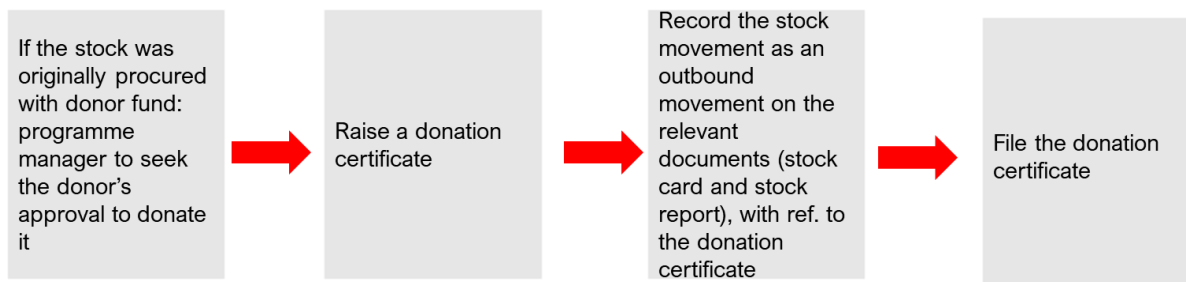
Before donating stock, make sure that:

The prospective receiver wants the items → ask: “Do you want the items?”

The prospective receiver can safely use the items → ask: “Can you provide guarantees that you have the means to use and control the items safely?”

A donation can be made to a partner organisation or to a separate project within the same organisation, though it is then more of a transfer.

In all cases, the process to follow is the same:



The donation certificate:

- Must include at least an estimate of the total value of the donated items.
- Must be approved as per the approval matrix: the higher the value of the items donated, the more senior the approver – follow guidance in Section 4.6.1 in Chapter 4.
- Must be signed by the stock owner (programme manager) and the receiving organisation/partner.

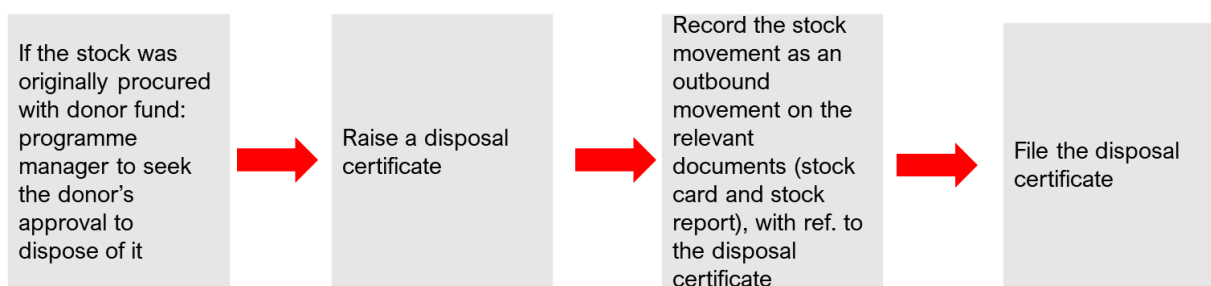
Finance must be informed of the value of the donated/transferred stock so they can reallocate the values accordingly. Ideally, the total value of donated stock must be communicated to Finance on at least a yearly basis, through a **donation report**.

When receiving donated stock, the donating partner or programme must raise the donation certificate, and the receiver of the donation must record the quantity as an inbound stock movement. The total value of received stock must be reported on a similar basis as the donated stock. See **stock donation tracker** format. The format must be used for recording asset and stock donations – see Chapter 4 for more details on asset donations.

## 2.11.2 Disposing of stock

Disposing of stock means destroying it and should be a last resort. Where stock is disposed of, this must be done in a safe and legally compliant way.

The process to follow is:



The disposal certificate must:

- Include at least an estimate of the total value of the disposed items.
- be approved as per the approval matrix: the higher the value of the items disposed of, the more senior the approver – follow guidance in Section 4.6.1 in Chapter 4.
- Be signed by the stock owner (programme manager) and the receiving organisation/partner.

Finance must be informed of the value of the disposed stocks, so they can write its value off accordingly. Ideally, the total value of disposed stock must be communicated to finance on at least a yearly basis at least, as part of the yearly reports.

When disposing of food items, medical supplies, dangerous goods or chemicals, it is recommended to liaise with the appropriate local authorities to understand the rules that apply. Where destruction is required, it must be documented by a **destruction certificate**, signed by the NS disposing of the stock and the authority overseeing the destruction. Note that authorities usually charge a fee for destruction.

If stock is returned to the UK damaged or if items in stock in the UK or in any of the global IFRC warehouses expire (e.g., water purification drops, first aid kit), they must be written off in a **stock write-off form**, in which the Logistics Officer must justify the reasons for the write-off and propose options for dealing with the stock which could include:

- Destroying the items.
- Donating items (e.g., to shops or UK operations). If items or equipment are in good condition and have resale potential, contact the eBay manager in retail who will consider them for posting on eBay. Email: [ebayretailsales@redcross.org](mailto:ebayretailsales@redcross.org). Address: British Red Cross, eBay, Unit 2D, Road Three, Industrial Estate, Winsford, Cheshire CW7 3GE.
- Recycling or disposing items. Radios, satellite phones and electronics need to be disposed of properly and the TA should contact IT or a supplier to dispose of items properly.

The Logistics Officer documents different options, stating the preferred option in the recommendation section and gets this signed off by the Head of Logistics.

When the form is signed, the Logistics Officer gets this agreed/written off by Finance and actions the agreed outcome.

Note: Additional funds will need to be requested for higher value asset write-offs, as they are deducted from logistics management's budget.

### 2.11.3 Recording a stock loss or theft

An **incident report** must be completed when stock is stolen or lost to damage, destruction or bad management, where the total value of the loss is above £100.

The incident report must be raised by the warehouse staff in charge of the stock, with proposed follow-up actions reviewed by the Logistics delegate and approved by the Logistics coordinator. The incident report must specify the estimated value of the total loss.

Where the incident report is raised to report on stocks held in UKO, Bulwick or in the IFRC's RLUs, the incident report must be prepared by the Logistics Officer, reviewed by the Logistics Manager and approved by Head of Logistics and international Finance. See **SOPs** for more details on these procedures.

The quantities declared as lost must be reported on the stock card and report, with reference to the incident report.