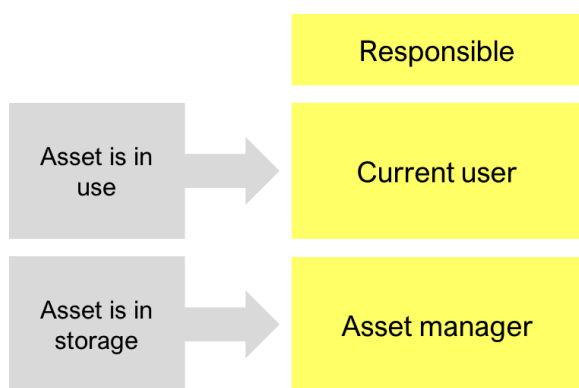


4.6 Registering, tracking and reporting assets, and filing

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
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BDRCS/BANGLADESH/FLEET/2019-22

Or more simply

Name of NS	Sequence number
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BDRCS/22

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

The asset number must be captured on the **GRN** 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.

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 4.8 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 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