



NETWORK OF PEOPLE LIVING WITH HIV/AIDS IN NIGERIA (NEPWHAN)

**PROCUREMENT, ASSET AND INVENTORY POLICES &
PROCEDURES MANUAL**
February, 2013

SPECIAL NOTICE

The provision of these policies, procedure and manual is to serve as guide in making decisions involving the operations of NEPWHAN Human resources management and for adaptation by Association of Positive Youth Living with HIV/AIDS in Nigeria (APYIN), Association of Positive Women Living with HIV and AIDS in Nigeria (ASWHAN), Association of Religious Leaders Living with HIV and AIDS in Nigeria (NINERELA+) and Support groups of People Living with HIV in Nigeria. The document is subject to review by Management Board as at when due. Efforts shall however be made by Administration Department to issue due notice when changes and revisions occur and such changes will duly be incorporated in the next issue.

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NEPWHAN BACKGROUND

NEPWHAN refers to the umbrella administrative body of all support groups of people living with HIV/AIDS (PLHIV) who choose to register with the body throughout the country. Being an administrative body implies that it does not execute programs while it assists its member support groups to carry out its stated mission and activities leading to achievement of our goal and objectives. NEPWHAN however is actively involved in the mobilization of PLWAs throughout the Federation and organizing them into new or existing support groups thereby broadening its own organizational base.

HIV was given official recognition in Nigeria when the first case was announced in 1986. As in other parts of the world the infection came into Nigeria with its full complement of attending fear, stigma, discrimination and rejection. It is therefore not surprising that PLWAs tended to hide their status. Even when terminally ill, the cause of their illness is rather ascribed to other infections such as Tuberculosis. At that time, government was still in denial and there was therefore no commitment of any sort to HIV response by government and its arms. Responses to the epidemic in the country were mainly by non-governmental organizations (NGOs) including faith-based ones and international agencies that were only operating half-heartedly due to the political climate at the time.

Lack of capacity and basic infrastructure however severely limited activities of this young organization. In the year 2000, PLWAs from all over the nation were again called together to fashion a way to move the network forward and invigorate the executive. A new executive was put in place at this meeting.

Since inception, the network has established 650 support groups across the country with over 300, 000 membership strength and with presence in 36 State Chapters and FCT. NEPWHAN has established constituency organization for her youth (APYIN), women (ASWHAN) and religious leaders (NINERELA+) to address issues of peculiar challenges as it relates to their needs.

In terms of directional thrust, the network set itself two main tasks:

- a. Mobilization of PLWAs all over the country, organizing them into support groups and empowering them to join in the national response with the aim of reducing and eventually eliminating further spread of the virus.
- b. Mitigating the impact of HIV and AIDS on the life of PLWAs, PABAs, orphans and other vulnerable children.

NEPWHAN VISION, MISSION, GOAL & OBJECTIVES

NEPWHAN VISION: To see a country where PLHIV are given equal rights and privileges like every other member of the society.

NEPWHAN MISSION: To empower, strengthen and coordinate all support groups, state networks, constituencies, associations and organizations of people living with HIV and AIDS in Nigeria to contribute meaningfully to the national response

NEPWHAN GOAL: To advocate for the rights of PLHIV in Nigeria and seek to put in place comprehensive HIV and AIDS prevention, care and support services

Values at NEPWHAN

- Empowering individuals and institutions to improve the health status of populations at risk as a positive contribution to social justice.
- Personal integrity, high moral standard, commitment to our shared mission, and excellence in our work are expected.
- Common courtesy in our personal interactions, a collaborative working style, and concern for the rights of others are the chief manifestations of, and basis for, building NEPWHAN's mission.
- Pursuit of public health goals at NEPWHAN is driven by their importance, by the possibility of positive impact, and by technical and financial feasibility, not by potential profitability. Hence, NEPWHAN is constituted as a nonprofit corporation to serve the public interest.
- The immensity of the tasks we face in public health management requires a high degree of humility. Our individual energy, intellect, sense of humor, and dedication can make a difference.
- Management support for development means long-term commitments to our clients and colleagues. It demands that we work for the success of others, promoting their capacity to work more effectively and independently and placing a higher value on facilitating their success than on personal or organizational recognition.

INTRODUCTION

This policy manual exists to promote unity through a common understanding of what is expected of NEPWHAN and her employees. This document shall be subject to a review, in order to reflect current practices.

- NEPWHAN will hire and retain employees, and provide those benefits and rights under the guidelines of Nigerian labour law. In addition workplace and preventing the abuse of the child, as mandated by Nigerian law.
- NEPWHAN will treat employees in a manner in keeping with the mission and ethical standards of the organization.

To support the mission, NEPWHAN is committed to:

- Employing staffs who is recognized for technical excellence, integrity and dedication;
- Collaboration with colleagues on the basis of mutual respect and shared goals;
- Providing a workplace that is professionally stimulating and supportive;
- Ensuring the protection of the health, safety and welfare of men and women in the NEPWHAN will take affirmative action to ensure that qualified applicants are employed and are treated without regard to their race, age, color, religion, sex, national or ethnic origin, social or marital status, physical disability or HIV status.

In accordance with the labour law of Nigeria, NEPWHAN will ensure equal opportunity for women, in relation to remuneration, employment security and provision of maternity and paternity leave.

NEPWHAN shall maintain ethical standards in the hiring and termination of all staff.

Office Operations Policy

NEPWHAN will set operation policies in collaboration with the management team,

- Following sound business practices and complying with any applicable Nigerian law and donor requirements where necessary;
- Providing a workplace that is secure, comfortable and efficient;
- Creating policies that treat employees equitably;
- Implementing procedures that safeguard assets and equipment from loss, fraud or misuse.

Standards of Ethical Conduct

Personal integrity is considered to be the most important contribution an individual may bring to NEPWHAN. NEPWHAN expects all employees to adhere to the highest standards of ethical conduct in their professional and private affairs. General standards of conduct include avoiding any action that might result in or create the appearance of:

- obtaining personal financial gain from one's position or activities with NEPWHAN;
- facilitating the financial gain of a competitive organization or individual through disclosure of confidential information about NEPWHAN;
- failure to properly account for NEPWHAN fund with which one is entrusted;
- failure to report personal use of NEPWHAN facilities (e.g. vehicles, furniture, and other equipments)
- All employees shall be loyal to the policies, procedures and activities of NEPWHAN above all other considerations.

Fees, honoraria, and gifts of nominal value may be accepted by a staff member. However, acceptance of any gift, meal, or social invitation which is not in keeping with good business ethics, or which obligates the staff member or the recipient, is in conflict with NEPWHAN interest

Procurement, Asset & Inventory Policy

CHAPTER ONE

PROCUREMENT

01.01 INTRODUCTION

Procurement can be defined as the buying of goods and services which may include drugs, consumables, project vehicles, land and buildings, office furniture and equipment's, stationeries, consultancy services, insurance, construction and maintenance etc. The goods and services in question should be of the right quality, quantity and value from the correct source and at the right time.

The objectives of an established Procurement Policy in an organization are:

- To enhance organizational operations with an unrestricted flow of goods and services.
- To acquire competitively and genuinely
- To identify alternative source of supply
- To maintain good vendor relationship
- To ensure effective departmental integration in the organization
- To build the capacity and competency of personnel and department to ensure the overall organizational success.

Justification of the above objectives is to ensure prudence in resource management, and to avoid unnecessary waste which may occur as a result of; Wrong purchase of goods and services at:

- Higher price,
- Inferior quality,
- Purchase made without budgetary provision and
- Purchase which are made and not in line with the provision of this policy document and international standard.

01.02 GENERAL PROCUREMENT POLICY

1. Engage in ethical and responsible procurement practices.
2. Make procurement decisions based on acquiring the best value available.
3. There shall be in place a standing committee on procurement headed by a management board member.
4. Provide free and open competition to the maximum extent possible and ensure that members of the procurement committee, the board and the consultant or approval authorities should be obliged to declare any conflict of interest and exclude themselves from bid evaluation and approval process.
5. Bulk purchasing of office supplies and equipment are highly encouraged in order to take advantage of quantity discount from vendors.
6. Quarterly procurement plan should be developed and used to determine the requirement of funds for various purchases at different quarters during the fiscal year.
7. The service of international and national procurement agents of the highest repute may be obtained to assist in medium and large scale contracting where necessary

8. Advance payment for procurement of goods and services shall be up to 50% provided the vendor provides bank or insurance guarantee bond and only where necessary.
9. Comply with the terms and conditions of the contractual agreement, with the procurement regulations and procedures with any applicable laws in Nigeria.

01.03 SCOPE

This manual covers the whole process of acquisition from third parties and covers goods and Services and the following guidelines are required for its effective implementation: Procurement Unit and Procurement Committee in NEPWHAN shall establish a five man procurement committee which will solicit, receive and open sealed bids, prepare bids analysis, and recommend the preferred bidder to the National coordinator. The committee shall meet for procurement of N1 million and above

- The committee shall have the following as members:
 - ✚ The national Coordinator as chairman.
 - ✚ A member of the management board,
 - ✚ A member of the BOT
 - ✚ A representative of Finance department
 - ✚ A representative of Program department
 - ✚ The Admin Manager or the Procurement Officer shall be a member of this committee.
- The committee shall appoint a secretary from among themselves.

01.04 UNLAWFUL TENDER OPENING

It shall be an offence punishable by a serious disciplinary action for any official including the committee members to deliberately split contract, purchases, procurement or services in order to by pass the provision of this policy before the selection process.

01.04 COMPETITIVE TENDER

It is considered necessary to use the selective or limited tender process. The short listing or selection of contractors or suppliers shall be done by the procurement committee.

01.05 COMPARATIVE COST ANALYSIS SHEETS:

This instrument is used by the procurement officer to analyze which vendor/supplier gives NEPWHAN the overall best value and report back to the procurement committee.

01.07 VENDOR LIST

It is expected that a vendor list shall be developed and maintained by NEPWHAN, this list should include among other things:

- Vendor names
- Types of goods and services it can provide
- Contact of the vendor etc.
- The list of such vendors should be based on their reputation, reliability, competency, and excellent track record on timely delivering of goods and services.
- It is also, of importance that, at least, three vendors, for each type of goods and services required should be included in the lists.

- The vendor list must be reviewed annually, based on the given vendor performance.
- Changes to the vendor list should be strictly restricted to the Procurement Committee.

Procurement, Asset & Inventory Policy

CHAPTER TWO

PROCUREMENT INSTRUMENTS

02.01 INSTRUMENT

The type of procurement instrument used should be appropriate for the goods or services to be procured, the volume of procurement and the value. The types of instruments to be used are as follows:

- a) **Requisition Form:** A purchase requisition form, signed by the Requisitioner (User Department/Unit) and approved by his or her departmental head, must be prepared for all procurement. The officer initiating the purchase request, should not approve the request, nor make the purchases themselves. The officer approving the requisition must ensure that there is sufficient fund to accommodate the procurement (the budget), and that such procurement is reasonably necessary to achieve NEPWHAN objective, also, if need be comply with the donor regulation or terms of the grant agreement.
- b) **Petty Cash:** This procurement instrument will apply to the purchase of goods or service not above N 10,000
- c) **Quotation Request Forms:** This instrument will be used by the procurement officer to request for quotation of goods or services from the vendors/suppliers.
 - + This instrument will be applicable to all procurement of goods and services not exceeding N200, 000 of value.
 - + This Instrument also applies to all procurement ranging above N200, 000 but not more than N 1,000, 000. However, this procurement process must allow for the call for quotation from all registered vendors with NEPWHAN.
- d) **Biddings:** This procurement instrument will be used when processing the purchases of goods or services which value is above N1, 000,000. Such process shall be undertaken by the Procurement Committee which shall; advertise in more than one National Newspaper or even international journals when necessary.

The bidding process should include the following:

 1. A detailed description of the items, particularly; specification, prices, quality, quantity and required delivery date
 2. Sealed bids should be opened in the presence of the bidders and at least three members of the procurement committee
 3. If the estimated procurement amount is more than N3, 000, 000, the Chairman of the procurement committee must be in attendance.
 4. On receipt of the bids/tenders, the Procurement committee does a comparative cost analysis and review of all bids and tenders that gives the organization a comparative cost advantage strictly on the basis of the quotations obtained.
 5. All committee members in attendance must append their signature in the quotation analysis report.

- e) **Consultant Letters** are used to procure short-term technical services from an individual. Technical services are related to activities in public health management, financial management system, IT solutions among others. Consultant agreements generally specify the level of effort, in days, at a prescribed daily rate and for a specific scope of work.
- f) **A Subcontract** is used to procure technical services from an organization. The solicitation should state what kind of contracting instrument will be used for award. **Fixed Price or Cost Reimbursement** are the two most common types of Subcontracts.
- g) **Fixed Price awards** are generally used when it is possible to reasonably estimate the cost to perform the work. The contractor receives the award price whether the actual costs are higher or lower than that agreed to.
- h) **A Cost Reimbursement award** is generally used when it is difficult to estimate the cost to perform the work. The Contractor is reimbursed for actual costs, based on receipts, incurred to perform the service. There are generally budget limits imposed.
- i) **Local Purchase Order:** Is a contractual instrument between the vendor and the organization. (Vendee) it safeguards the interest of both parties involved in the contractual agreement, in case of any breach or default.

02.02 Using LPO instrument

- i. A pre-numbered LPO should be raised for each procurement of N 50,000 and above, indicating the name and address of Vendee, Vendor specification, amount, quality, quantity, and delivery date e.t.c. The LPO will be prepared by The Procurement officer, authorized by the Admin manager, before an approved is sort from The National Coordinator on the recommendation of the committee on procurements.
- ii. All unused LPOs must be kept in safe custody of the internal auditor
- iii. All purchase orders must be accounted for. In the case of a cancelled purchase order, the original is reattached to the booklet and the word "CANCELLED" is written boldly across.
- iv. Purchased orders not serviced should be labeled "NOT-SERVICED"
- v. Local Purchase Order: shall be prepared in quadruplicate and shall be distributed as follow:
 - ✚ Original Copy to Supplier
 - ✚ Duplicate copy to the procurement file/receiving stores
 - ✚ Triplicate copy to finance
 - ✚ Quadruplicate copy remains as a book copy

Note: Local Purchase orders are to be printed to reflect distribution as stated aforementioned, and the conditions for receipt of such goods/services highlighted at the back.

02.03 SERVICES (CONSULTANCY, INSURANCE, and SECURITY E.TC.)

- Obtain three quotations including biodata, e.t.c for consultancy/services of over N200,000.00
- Prepare scope of work and determine consultancy daily rates based on biodata, experience, qualifications e.t.c
- Prepare Consultancy contract
- Mobilization fees of 50% should be given, but advance can be granted for travel cost, and other reimbursable. (see the general procurement policy)
- Payment for consultancy and services shall be based on evidence of performance, and this shall be included in the contractual agreement to be signed by both parties.

02.04 PROCUREMENT: ESSENTIAL PROCEDURES

General Procurement of goods and services should comply with the following general essential procedures:

1. All procurement must be properly authorized by the committee on procurement prior to purchase based on the internal controls and signatory authorities established within the stipulation of this manual.
2. Procurements must be reasonable and necessary for the completion of activities in approved work plans and budgets to be allowable,
3. Costs chargeable to a donor. Any procurements requiring prior approval by donor, including international travel must not be initiated until approval is obtained.
4. Local purchase orders should be issued for the purchase of all goods except those purchased with Petty Cash.
5. The items purchased should be most advantageous to the organization when price, quality and other factors are considered. (The focus is on obtaining best overall value and not necessarily the lowest price.)
6. Any staff who determines that there is the need to purchase a good or service should prepare a Requisition Form, which must be signed by the head of department, approved by the National Coordinator. All purchases must be approved prior to initiating the procurement process.

A Purchase Requests must include:

- Complete and accurate specifications, including pricing information when available
- Quality
- Quantity
- Any required associated services (installation, on-going maintenance)
- Possible suppliers, if appropriate
- The end user and destination
- Date by which delivery is required
- Any special contractual requirements, such as geographic code
- Any special selection criteria

The approval of the Purchase Request includes an acceptance that the goods or services to be procured are reasonable and necessary for the work of the organization; are in keeping with the

approved work plan activities and are in the budget. In addition, the proposed procurement must not violate the applicable cost principles of the donor.

02.05 PROCUREMENT CYCLE

Procurement generally follows this cycle, though not every procurement transaction will include each step:

1. Determination of Needs
2. Determination of Procurement Strategy - the type of mechanism to be used includes; Purchase Order for goods and services, Consultant Letter or Subcontract, and invitation for tender depending on the size of the procurement)
3. Issuance of solicitation document, including a Scope of Work for goods and services and Technical Specifications for such and the selection criteria that will be used.
4. Selection process/Desk review
5. Negotiation of price and terms
6. Award of contract
7. Receipt of Goods and Services shall involve inspection of the goods and services supplied, to ensure that it meet the specification as contained in the contractual agreement.
8. Acceptance of goods and services and part payment and 10% retention, which shall be held for three months
9. Payment of retention and closeout.

02.06 SOLICITATION REQUIREMENTS

Solicitations shall provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall contain features with specific brand.
2. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
3. Requirements which the bidder/offer must fulfill and all other factors to be used in evaluating bids or proposals.
4. A description, whenever practical, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable quality standards.
5. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

CHAPTER THREE

STORES

03.01 INTRODUCTION

All items of stores received must be supported by appropriate document Waybill/consignment note, LPO given the details of goods received. In case of goods from outside sources, receiving official must ascertain the origin of the goods, and satisfy that the goods were duly ordered by the organization. All items of goods received must be checked before taking them on charge, and necessary documents made. (Goods receive report, Store received forms, LPO, store issue etc)

03.02 DAMAGE/SHORTAGES REPORT

Any short supply or damage to items received should be reported to the procurement officer on the prescribe form within 24 hours. All such shortages/damages should be noted on the delivery note/waybill at the time of receipts. Both the supplier and the recipient (Store- Officer) should sign the shortages/damages form.

03.03 STORES RECEIVED ADVICES (SRA)

All received of goods, all waybills shall be dully stamped with the NEPWHAN stamp specially designed to indicate the recipient and should also, enter the store books. If goods are received on local purchasing order, stores received advice will be issued immediately, the stores received advice will be prepared in quadruplicate and distributed as follows:

- Original, Duplicate and triplicate copy will be forwarded to the Administrative Manager.
- Administrative Manager who will also forward the triplicate copy to the auditor
- The duplicate copy should remain as a stump in the book
- Upon delivery, the Stores Officer, internal auditor, a representative of the admin department and the requesting head of department or a delegated representative inspects the deliverables to ensure that they meet the required specifications, and prepare a receiving report to document the delivery, specifications and conditions of the goods delivered. Once the deliverables have been approved, the receiving report is sent to the Accounting Officer who will match all supporting documents (purchase order, receiving report and invoice) before a voucher is raised and payment is made.
- ✚ Once payment is made, the payment voucher is stamped "PAID" to prevent double payment.
- ✚ Payment cheques must be cross-referenced to vouchers and supporting documents. (Stores Received Advices when printed are to be marked to indicate distribution and also the names of signatories in block letters with designation).

03.04 GOODS INWARD BOOKS

This will be prepared on received of goods and accompany waybill /delivery note. This will serve as the stores copy, showing the quantity and numbers of goods received. Details of particulars as contained in the waybill / delivery note will be showed in this book.

03.05 TALLY CARD

For each items of stores, separate tally cards shall be maintained. The quantity on the cards shall correspond with those entered in the stores ledger. All items received and issued from the store shall be dully posted on the tally cards immediately they are physically received or issued.

All entries on the tally cards must be made in ink and shall be initial by the store officer.

Procurement, Asset & Inventory Policy

CHAPTER FOUR

ISSUES OF STORES

04.01 INTRODUCTION

All issues must be supported by stores requisition forms dully authorized by the head of department.

04.02 THE STORES LEDGER

A separate ledger sheet shall be kept for each store items. Balances in every case and at every given time should agree with the information on the tally card kept in the store. All stores' ledger shall be dully index to provide easy reference. A ledger shall be maintained by every scheme, and a control ledger at the office for easy reference.

04.04 LOAN REGISTER

A loan's register shall be maintained in every store showing the date an item is loaned out, to whom it is loaned, the purpose for which it is loaned and the date of return. Store officer must ensure that correct entries are made. Recipient's signature with his names printed must be obtained before any item is given out on loan. No materials should be loaned out except with the approval of the Administrative Manager.

04.05 STORES CODING

All store items shall be coded for the guidance of store officer. A stores catalogue shall be prepared by the stores officer given the details of each items for easy numbering and ordering.

04.06 STORE VERIFICATION

Every store officer shall make available for inspection and verification or auditing, all store books in his custody. All necessary information must also be furnished when required. All store books must be kept up -to-date at all times. The officer - in - charge of the stores shall witness the checking of his stores by the authorized officers of the organization. All items of stores shall be properly laid out for easy checking and items checked must be initialed by the checking officer (Internal Auditor). Any loss of stores must be reported to the Administrative Manager within 24 hours.

04.07 CENTRALIZED STORE

NEPWHAN shall maintain a central store in the National office, and which shall be run by the store officers.

04.08 STORE SECURITY

Every officer in charge of a store shall be responsible for:

- a) Proper security of his stores and ensures that no unauthorized person is allowed into the stores.
- b) Daily inspection of his stores and maintenance of same in good condition.
- c) Ensuring that the store is clean and properly ventilated and allow for free access to all the items contained in the store.

- d) Making necessary report when the store is not in good condition or any leakage or opening is noticed.
- e) Proper custody of the store-room keys and books.
- f) Adequate fire precautions shall be provided for in all stores and the stores officer shall ensure that they are maintained in good serviceable condition.

04.09 STOCK –TAKING

Bi-annual stock -taking shall be carried out by the officer -in charge of stores and at the close of every financial year and assessment be made.

Periodic stock-taking shall also take place at the discretion of the National Coordinator. During bi-annual store-taking, no issues will be made except in exceptional cases with the permission of the head of department or supervising officer concerned. Details of closing stock shall be forwarded to the National Coordinator in appropriate cases not later than a fortnight after stock -taking. The officer will then forward their own summaries to the Administrative Manager.

04.10 STAFF TRAINING

There shall be a periodic training on the process of procurement for all officials involved in procurement e.g. Procurement officials, procurement committee and store officer etc for better understanding and adherence to the procurement policy.

04.11 DONOR FUNDED PROCUREMENT

In addition to the aforementioned sound procurement practices, all procurements funded by donors shall be undertaken in accordance with donor requirements, as long as it will contribute to the achievement of NEPWHAN policy on procurement.

CHAPTER FIVE

ASSET

05.01 CAPITAL ASSETS

Capital assets are tangible assets that have been procured, donated or constructed and held for use over a period exceeding one accounting year and the value of which is not below what the accounting policy stipulates (that is ₦50,000.00). Other non-qualifying expenditure of a capital nature shall be treated as small tools and expended. Attributable costs to be capitalized along with the initial cost of capital assets shall be in accordance with the applicable accounting standards as mentioned financial policy and procedures manual. NEPWHAN shall maintain a register of all its capital asset and the register shall contain such things as; location/users, date of purchase/supply, and cost, etc.

05.02 MAINTENANCE OF FIXED ASSET REGISTER (FAR)

- a) A FAR shall be maintained by Finance and Administrative departments for recording all fixed assets donated to, procured or constructed by NEPWHAN.
- b) The register shall contain detailed information concerning each fixed asset and specifications (donated, acquired or constructed.)
- c) The assets shall be code-numbered for proper identification as to numbers, donor, categories, year of purchase and location.
- d) The assets register shall be designed to accommodate the additions and disposals entries and update.
- e) A summary of fixed assets shall be extracted from the FAR and form part of the financial statements.
- f) All movable fixed assets such as vehicles will carry the logo and/or imprint of NEPWHAN and (or) Donors' name.

05.03 PROCEDURES FOR MAINTENANCE OF FIXED ASSET REGISTER

- a) The Account Officer shall scrutinize the payment voucher (PV) files and extract details relating to the purchase or acquisition of fixed assets.
- b) The invoiced value of the fixed asset item/s shall be compared with the contract documents to ensure they are in accordance therewith.
- c) Cost associated with fixed assets shall be collated using a worksheet
- d) Where joint costs are incurred, the Accountant shall apportion them to the specific assets acquired. Such costs are: transit, insurance, clearing agent etc.
- e) The Account Officer shall obtain the distribution or location list of the assets from the store records. Accountant shall review the total cost of the assets and pass to the Account officer for processing and ensure that appropriate entries are made in the Fixed Asset Register.
- f) Inventory of all equipments and assets shall be kept by the Administrative unit
- g) Account Officer shall reconcile such inventory with the general ledger.

05.04 DERECIATION OF FIXED ASSETS

Fixed Asset shall be depreciated according to NEPWHAN policy as Follows:

Motor Vehicle		25%
Furniture and Fittings		20%
Equipment	20%	
Plant and Machinery		10%
Building		10%
Building Improvement		10%

05.05 DISPOSAL OF EQUIPMENT:

1. When equipment is beyond reasonable repair or is out-dated or has exceeded its useful life span, the equipment shall be turned over to the Administrative Manager, evaluated for disposal and recommended for replacement.
2. Once removed, equipment is gathered in a central area, the required "Property and Equipment Activity Form", shall be completed (see appendix 1).
3. All equipment surpluses shall be marked for physical removal or disposal.
4. All removals of equipment shall be documented on the inventory database in the salvaged (to surplus) worksheet in the inventory database.
5. The Management Board shall approve all disposals of such equipments and properties to whom or organizations it deems necessary.

05.06 HALF YEAR REPORT

1. Half yearly and as demanded by the provisions of this manual, the administrative Manager shall evaluate existing equipment with a view to authenticate the correctness of FAR, assess the fixed asset needs of NEPWHAN.
2. Items proposed for procurement and approved by management board will be submitted for inclusion in the next Fiscal budget.

05.07 PROTECTION OF FIXED ASSET

Staff shall be trained in techniques to protect asset from damage or loss from water, heat, fire, misuse or theft annually, and form part of new staff orientation. Measures will be put in place to properly safeguard NEPWHAN fixed assets from theft, misuse and damage. Provision of preventive equipment's (fire extinguishers, security, etc) shall be provided by NEPWHAN for the staff concerned. All NEPWHAN fixed assets shall be fully insured against fire, theft, accident etc.