

**FIXED ASSETS CONTROL POLICY
OF
COMMUNITY INITIATIVE FOR PARTNERSHIP AND
DEVELOPMENT (CIPAD)**



**ENDORSED BY:
BOARD OF DIRECTORS,
AT AWEIL HEAD OFFICE,
NBeG State, SOUTH SUDAN,
AMENDED 2020**

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ABBREVIATIONS

AFO	Administration and Finance Officer
ED	Executive Director
CPO	Cash Payment Order
EC	Evaluation Committee
CIPAD	Community Initiative for Partnership and Development (CIPAD)
FOM	Finance and Operations Manager
FIFO	First-In First-Out
FBS	Fixed Budget Selection
GRN	Goods Received Note
HR	Human Resource
IGO	Income Generation Officer
IC	Individual Consultants
ITC	Instruction to Consultants
LCS	Least-Cost Selection
LOI	Letter of Invitation/Intent
M&IE	Meals and Incidental Expenses
PC	Project Coordinator
PM	Programme Manager
PmO	Programme Officers
PO	Purchase Order
PV	Payment Voucher
QBS	Quality-Based Selection
QB	QuickBooks
QCBS	Quality and Cost Based Selection
RFP	Request for Proposal
RFQ	Request for Quotation
SSS	Single-Source Selection
TOR	Term of Reference
USD	United States Dollar

1. INTRODUCTION AND OVERVIEW

1.1. Community Initiative for Partnership and Development (CIPAD)

Community Initiative for Partnership and Development (CIPAD) came into existence as a result of the motivation and personal initiative of its founding members who wholeheartedly seek to enhance the socio-economic status of the impoverished communities especially women, youth, children and elderly. Living in war affected South Sudan particularly Northern Bahr El Ghazal State, the founding members were not stranger to hardships faced by the underprivileged communities.

Having strategies to overcome economic and social challenges that impoverished communities are facing, the founding members registered CIPAD at Northern Bahr El Ghazal state level with Relief and Rehabilitation Commission (RRC) and Ministry of Social Development from 2010 to 2016 supporting communities with different capacities depending on funding from partners and well-wishers.

In the year 2017, the founding members of the organization decided to register the organization at national level with Relief and Rehabilitation Commission (RRC) obtaining registration number 902 as National Organization mandated to operate across the country as humanitarian and development organization.

The key areas of interventions include human rights; sustainable food security and livelihood; women & youth economic empowerment; peacebuilding; justice; education; health & nutrition; WASH; and people with disabilities participation and inclusion.

Our efforts have developed lasting relationship with government at all levels, nongovernmental organizations, United Nations agencies and corporate organizations as also with the communities, individuals and groups with whom we have worked.

We have come a long way following a small beginning in 2012, and have implemented a wide variety of projects related to child rights for change; food security & livelihood; women & youth economic empowerment; peacebuilding; community security & community policing; gender base violence; access to justice; reproductive child health care; trauma healing and psychosocial supports; HIV/Aids awareness; COVID 19 awareness; quality education; boreholes rehabilitation and capacity building of water user committees in different Bomas and Payams in the five counties of Northern Bahr El Ghazal State. While implementing different developmental projects, our thrust has always been on working through people's participation and constructive engagement of government institutions and community leaders for project ownership and sustainability.

At CIPAD, we have always believed in the capacities and capabilities of the communities, and have always strived to channel their hidden energies for the betterment of society at large. Our efforts have always been directed towards creating an environment that is conducive of enhancing opportunities to local people to think and act positively.

We have endeavored to develop skills and competencies of the local communities with a view to enabling them to operate and maintain the assets created through the implementation of the projects on sustainable basis.

This philosophy of ours has led us to the adoption of a holistic and participatory approach to rural and urban development. We believe in inclusive approach, covering all the sections of the society, particularly the impoverished people in the Bomas, Payams, Counties and States in the Republic of South Sudan. We work with existing village level fora (and creating new ones wherever necessary) through Participatory Rural Appraisal (PRA) approaches, principles and techniques.

1.2. Vision, Mission, and Goal

Vision

A just, peaceful, and resilient society where all people live with dignity, self-reliance, and well-being.

Mission

To advance sustainable development, deliver humanitarian assistance, and advocate for inclusive policies by empowering communities and fostering equitable partnerships.

Goal

To contribute to enhanced peace and socio-economic development of impoverished communities especially women, children, disable groups and elderly.

1.3. Objectives

1. To work for community development, to cooperate in sustainable development by local participation through integrated program.
2. To Improve community safety & Security through community security & community policing program in collaboration with the security providers
3. To enhance wellbeing of the people of the State & counties by operating result oriented program for poverty alleviation and development at the grassroots.
4. To develop mutual relation and brotherhood fillings in community.
5. To carryout water, sanitation and hygiene program to our local populations
6. To cooperate in managing water supply schemes in its working area.
7. To cooperate in road repair and maintenance with the coordination with local agency.
8. To lunch the awareness program in the field of education, health, WASH, peace building, civic education, human rights, gender and children issues.
9. To lunch appropriate program in developing community of women, children, old age, helpless and disable.
10. To work for creative youth activities and sports development.
11. To implement social protections program
12. To lunch awareness program against anti-social activities like girls trafficking, drug abusing, betting, vulgarity.

CIPAD is a national organization working for community development and empowerment through capacity building in order to provide essential knowledge that will lead to awareness, which will further lead to self-development, empowerment and action.

In furthering of the above objectives, CIPAD shall continue to:

- a) Mobilize local resources from community, members, governments, organizations and banking institutions. This shall be in form of contributions, donations and income generating activities.
- b) Advocate for large communities in furthering of its objectives for communal interests.
- c) Promote and carryout or assist in promoting and carrying out rural development research, surveys, assessments and investigations on the matter of community concern and publish the useful results thereof for public consumptions and intervention.
- d) To promote rural development, work through singular or join workshops, exhibitions, meetings, awareness campaigns, lectures, seminars and training courses.
- e) Collect and disseminate information on all matters affecting the said objects 1-18 above and exchange such information with other bodies having similar objects whether in South Sudan or overseas.
- f) Undertake, execute, manage or assist any communal work which may lawfully be undertaken, managed or assisted by the organization.
- g) Purchase, take on lease or in exchange, hire or otherwise acquire any property and any rights and privileges necessary for the promotion of the said objects and construct, maintain and alter any buildings or erections necessary for the work of the organization.
- h) Within laws of publications, to write and print or otherwise reproduced and circulated such workshop documents, papers, books, periodicals, pamphlets or other documents or films or recorded tapes (whether audio or visual or both) as shall further the said objectives.
- i) In accordance with **section 20 (i) of the South Sudan Non-Governmental Organizations (NGOs) ACT 2016**, the organization shall within its financial capacity, employ and pay any person or persons to supervise, organize, and carryout the work of the organization and make all reasonable and necessary provision for the payment of pensions and superannuating to or on behalf of employees and their dependents as maybe determine by the employment contracts between the organization and such a person or persons
- j) Establish where necessary field offices within the Republic of South Sudan or country offices in other countries of the world
- k) Make policies and regulations like finance policy manual, human resource policy manual, assets management policy manual, frauds policy, security policy, code of conducts and strategic plan to guide the work of the organization.

1.4. Values

- Human rights and dignity
- Partnership beyond boundaries
- Mutual Respect
- Honesty, Integrity and Ethics
- Diversity, Inclusivity, Transparency and Accountability
- Gender sensitivity
- Cost efficiency
- Solidarity
- Safeguarding
- Trustfulness and legality

1.5. Organizational Structure

1.5.1. Staffing

Below are summaries of main CIPAD staff only. Organisation Chart is presented in [Figure 1](#).

Executive Director (ED): is responsible for the overall management of Community Initiative for Partnership and Development (CIPAD) Programmes and Operations and operates under the Board. The ED serves as the principal CIPAD representative liaising with donors and partner organizations on project related technical, policy, and financial issues. The ED is ultimately responsible for the generation, commitment and disbursement of all project funds and provide technical and administrative leadership to the overall achievement of the goals and objectives of the organization. The ED is ultimately responsible for the management of all CIPAD resources.

Programme Manager (PM): Operates under and closely with the ED and is responsible to oversee and coordinate CIPAD capacity building, advocacy and service delivery programme activities and provide technical and programmatic leadership to the overall achievement of the goals and objectives of the programmes. With the ED, the PM leads the development, implementation, and monitoring of the organization strategy and work plans and communicates results and achievements to the community and other stakeholders.

Finance and Operations Manager (FOM): Operates under and closely with the ED and is responsible for developing and maintaining the financial systems of the organization, managing financial and other organizational resources, and managing other organizational operations including, human resources, procurement of equipment and materials, and tracking inventory and managing fixed assets. The FOM will assist the ED in ensuring that financial controls and systems comply with acceptable accounting practices and meet donors and CIPAD standards. The FOM ensures that programme activities adhere to the financial and operations policies and procedures of the organization and donors. The FOM works closely with the PM and the technical team to ensure smooth implementation of programmatic activities. The Human Resource (HR) Manager in this document refers to the FOM.

Programme Officers (PO) and Project Coordinators (PC)/Project Managers: Operate under and closely with the PM and are responsible to coordinate capacity building, advocacy and service delivery programme activities. With the PM, the PO develops, implements, and monitors project activities and work plans. In the absence of the PM, the senior PO acts as the Programme Manager. The Project Coordinators (PC) / Project Managers operate under and closely with the Programme Officer (PO) and/or the Programme Manager (PM) and are responsible to implement capacity building, advocacy and service delivery programme activities at the community level.

Logistics and Procurements Officer (LPO): Operates under and closely with the FOM and is responsible for the management of and supervision of support staffs (drivers, store keepers, logistics & procurements assistants), procurement, logistics and managing vehicles as well as motorbikes.

Administration and Finance Officer (AFO)/Accountant: Operate under and closely with FOM. Accountants assist the FOM and maintain the field accounting system, reviewing and processing purchase orders and expenditures, reviewing employee timesheets, and distributing checks, and executing payments with the cashier. The Finance Officer will take over in the absence of the FOM. The AFO also can work as the cashier. AFO is also responsible for the management of and supervision of support staff (Security Guards, Cooks, Cleaners, Cashiers, and Assistants).

Human Resource Officer (HRO): Operate under and closely with FOM and is responsible for human resource planning, recruitment & selection, performance management, learning & development, industrial relations, job analysis & design, maintaining work culture, processing payrolls, maintaining employees' records, compensations & benefits, labor law compliance, and staff motivation. HRO is also responsible for the management of and supervision of support staff like human resources assistants and related staff.

Cashier: Operate under and closely with Finance Officer/Accountant and manage petty cash and executes payments. The cashier can be given various other responsibilities and serve as office assistance, store keeper... etc.

The above Admin & Finance, Logistics and Procurements positions are responsible for the smooth flow of finance, administration and logistic implementation of the CIPAD projects.

It is important that the duties of accounting/financial personnel be properly segregated. No staff member should be assigned duties that could lead to a situation where the person could carry out and conceal illegal acts or violations of rules. To accomplish a proper segregation of duties, different individuals should perform the following functions:

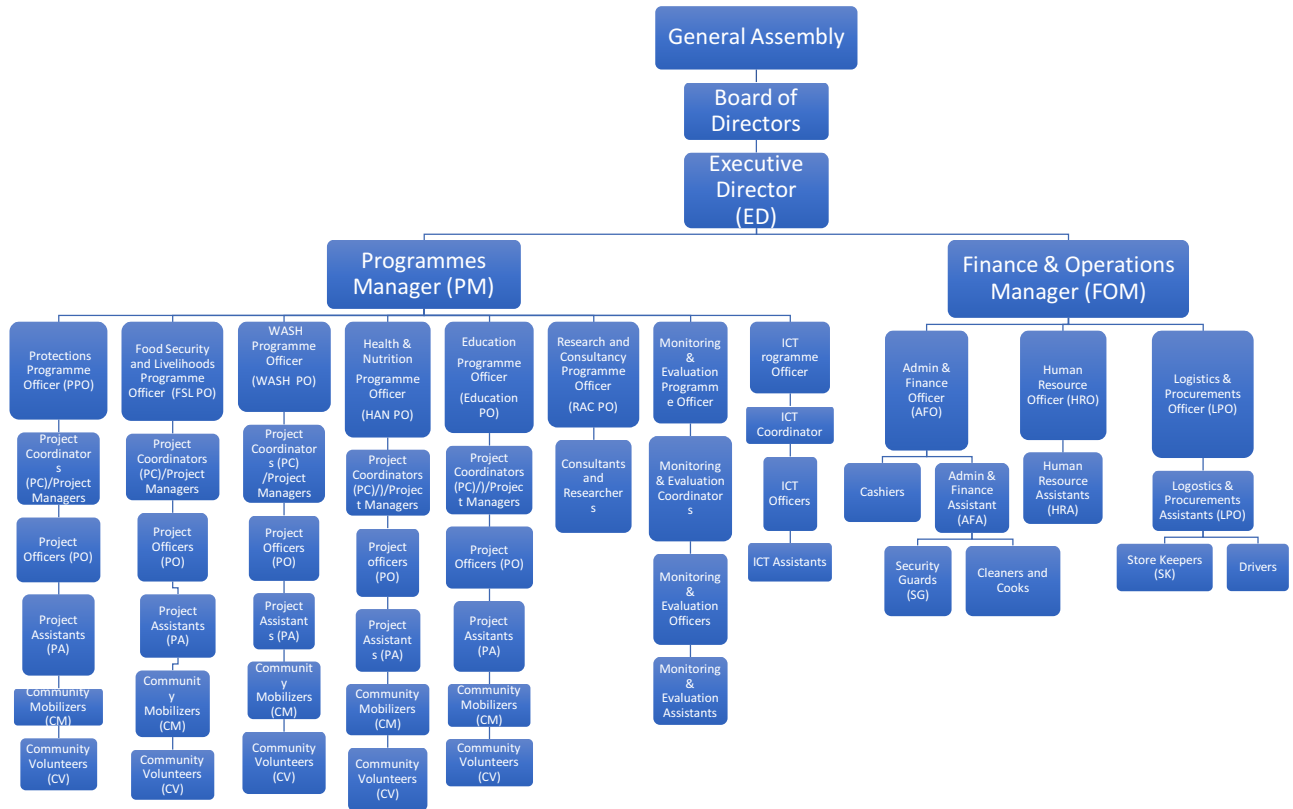
- Authorize transactions (ED and FOM),
- Record transactions (Admin & Finance Officer, Accountants, Cashier)
- Maintain custody of the assets that result from a transaction (LPO, Store Keeper)
- Compare assets with the related amounts recorded in the accounting records (Auditor)

Minimum Required Staff: in times of restricted resources the minimum required staff members for CIPAD are:

- The Executive Director (ED)
- The Finance and Operations Manager (FOM)
- The Cashier/Accountant/Admin and Finance Officer

Other staff members listed in this document will be appointed as necessary.

Figure 1: See below the Organizational Chart of CIPAD



1.5.2. Offices

The Head Office of CIPAD is Aweil, Northern Bahr El Ghazal State, South Sudan. CIPAD will work in multiple States of South Sudan to achieve its mission depending on operational capacity attained. There three field offices in Gokmachar, Aweil North County and Nyamllell in Aweil West County, and Wanyjok in Aweil East County. We have Coordination office in Juba, South Sudan.

1.6. Purpose of this Policy

This Manual is to be used by **ALL** staff of projects implemented by CIPAD. It is intended to be a guideline for all projects fix assets. This manual must be viewed in conjunction with the Human Resource (HR) Manual, assets management manual as well as CIPAD's other financial and administrative manuals and resources.

This fix assets policy addresses questions staff and partners may have about the CIPAD programmes and projects in regard to its risk management plans within policies and procedures. It serves as a reference document for partners of their rights, responsibilities and obligations and is a guide for supervisors and directors in the administration of the various policies and procedures.

CIPAD reserves the right to make changes and updates to this policy as outlined in this chapter. As policies are added or changed, staff will be notified by official memoranda from the ED. These memoranda will then become part of the official CIPAD partnership policies and procedures. Please read the policy, understand its contents and always refer to it for reference. If you have any questions or suggestions regarding this manual, please see the Executive Director, Finance and Operations Manager or Human Resources Officer of CIPAD.

1.7. Changes to this Policy

This document is subject to change and revision as and when the circumstances require it. If there is an item or a section in this manual that requires an update, the procedures outlined below should be followed to ensure that all employees receive and record the change. Once a year, if multiple changes have been made, a complete revised version will be produced and distributed. It is the responsibility of each employee to read, understand, and adhere to any policy changes that are made. Employees and partners will be notified of a change via memo as outlined below.

Minor changes to an amount, name, or item:

1. Send a memo to all employees noting the change.
2. Each employee should insert the memo in his/her manual directly after this procedures page to deemed track of who initiated the change and when.
3. The employee should locate and cross out the outdated item in his/her manual, writing in the change.

Major section changes

1. Send a memo to all employees noting the change and attach the revised section with the current date.
2. Each employee should insert the memo in his/her manual following this procedures page.
3. Each employee should insert the revised version in front of the original section, simply crossing out the pages that are no longer current.

The Executive Director of CIPAD must authorize all changes to the manual.

2. FIXED ASSET CONTROL POLICY

CIPAD must deemed track on all its fixed assets such as vehicle, motorbikes, equipment and furniture. Access to assets should be limited to authorized personnel in order to maintain the normal operation of the organization. Direct access to assets may be restricted by appropriate physical security (safe or a locked door to storeroom or pass codes/passwords).

This section describes the purchasing, inventory, maintenance, insurance, disposition, and custody policies for non-expendable equipment purchased for CIPAD projects.

Non-expendable Property (NXP) or fixed Asset is a property which:

- Is complete in itself
- Has a useful life of more than 1 year, and subject to wear and tear even if it is bought with the cost of less than \$50
- Has a unit acquisition cost of \$50.00 (or equivalent amount in local currency) or more.
- Can stay has

2.1. Capitalization Policy on Fixed Assets

1. Since most fixed assets are subject to wear and tear, their value depreciates. In order to obtain clear insight in all assets at every moment, Fixed Assets Register shall be kept showing information on cost, depreciation to date, revaluations and current book values.

2. Straight line depreciation should be applied to calculate the book value of a fixed asset that has a life span of 1 year and above. Straight line depreciation can be calculated using any of the following formulas:

a)
$$\text{Depreciation per annum} = \frac{(\text{Cost} - \text{Residual Value})}{\text{Useful Life}}$$

b)
$$\text{Depreciation per annum} = (\text{Cost} - \text{Residual Value}) \times \text{Rate of depreciation}$$
 Where:

- Cost is the initial acquisition or construction costs related to the asset as well as any subsequent capital expenditure.

- Residual Value, also known as its scrap value, is the estimated proceeds expected from the disposal of an asset at the end of its useful life. The portion of an asset's cost equal to residual value is not depreciated because it is expected to be recovered at the end of an asset's useful life.
 - Useful Life is the estimated time period that the asset is expected to be used starting from the date it is available for use up to the date of its disposal or termination of use. Useful life is normally expressed in units of years or months.
 - Rate of depreciation is the percentage of useful life that is consumed in a single accounting period. Rate of depreciation can be calculated as follows:
 - Rate of depreciation= $1/\text{Useful Life} \times 100\%$
 - E.g. rate of depreciation of an asset having a useful life of 8 years is 12.5% p.a. ($1/8 \times 100\% = 12.5\%$ per year)
3. All computers and its accessories, printers, servers, vehicles, motorbikes and furniture must be registered as fixed assets regardless of cost.

2.2. Fixed Asset Register/Inventory

1. Upon purchase, all Non-Expendable Items Must be registered in an asset register (inventory log).
2. The purpose of Inventory is to:
 - Provide means of controlling the asset including acquisition, disposal and transfer of valuable property;
 - Allow assets to be checked regularly in order to avoid misuse or misappropriation.
3. Inventory Log is managed and maintained for each award by the Logistics and Procurement office and supported by the Administration and Finance office.
4. This Log is maintained in an Excel spreadsheet so that the data can be sorted and searched efficiently.
5. Inventory log must include the following but not limited to:
 - Inventory tag number
 - Description of asset
 - Brand
 - Serial number (if applicable)
 - Model number (if applicable)
 - Acquisition date
 - Acquisition cost/unit price (Per item if more than one item is purchased)
 - Total price

- Exchange rate on acquisition date
 - US Dollar equivalent (if the item is purchased in local currency)
 - Supplier's/vendor name
 - Goods Received Note (GRN)
 - If donated, name of the donor
 - Location of the asset
 - Condition of the asset (New, Good, Obsolete etc.)
 - QB voucher reference
6. The inventory log can be sorted by any of the information fields, allowing for ease of updating, reporting, and verification.
 7. All offices should, at least once a year inspect all fixed assets to confirm their existence, location, usefulness, condition and reconcile to the records kept.
 8. Assets in poor conditions or not being used should be considered for disposal.

2.2.1. Inventory Tags

1. All fixed assets entered into the register must have inventory tags affixed to them.
2. Inventory tags have unique serial numbers and ensure that all the fixed assets are tracked and accounted for.
3. Once a fixed asset is purchased (or obtained from another source), the Finance/Logistics is responsible for affixing the inventory tag. Once the tag is affixed, the inventory as detailed above is entered into the fixed asset register by the Administration/Finance/Logistic Officer.
4. When tagging a fixed asset, deemed in mind that fixed asset is defined as something that is 'complete in itself'. Some items (such as a desktop computer) may contain components that are not considered fixed asset because they are not complete in themselves. The entire desktop computer (hard drive, monitor, keyboard, and mouse) is considered one piece of fixed asset and should therefore only have one space in the fixed asset register.
5. All offices should maintain registers that record all fixed assets and the main office should maintain master register that consolidates all registers maintained at the regional/zonal offices.

2.2.2. Physical Inventory of Fixed Assets

1. At least once in a year physical count of fixed assets should be carried out and checked against fixed asset register so as to ascertain the physical existence of the asset.

2. All items listed in the fixed asset register must be physically inspected and the inspectors must certify that the items are in working order and being used for authorized purposes.
3. A physical inventory count should also be completed in the field offices by a committee from head office during the same period and following the same procedures.
4. A physical inventory report should be produced by a committee from the Administration, Finance (leader) and Technical staff.
5. The physical inventory should be commenced TWO months earlier before the end of the calendar year and/or CIPAD fiscal year starting on April 1st and ending on March 31st.
6. The internal auditor shall be an observer in the course of the physical count. This report should detail any findings and discrepancies between the physical count and the fixed asset register and include any recommendations.
7. Any difference between physical count and the register balance must be reported to the ED for decision on the action to be taken.
8. On an annual basis, FOM should compare the total cost of the fixed assets on the register with the general ledger account for fixed assets. The FOM and Logistics and Procurement office should report updated fixed asset register to the ED, ED to Board on March 31.

2.3. Maintenance, Custody and Disposal of Fixed Assets

1. A maintenance schedule for fixed assets like computers, copiers, vehicles etc. should be established by all offices to ensure regular maintenance of assets.
2. Electronic Equipment (computers, photocopiers, printers, etc.) should all be purchased with at least a one-year warranty if possible. Maintenance and service agreements are negotiated at the time of purchase and are dependent upon the expected useful life of the item and its expected type of use.
3. Office Furniture (desks, chairs, tables, bookcases): Little maintenance is required other than regular cleaning. Most of these items can be repaired by local vendors if necessary.
4. The custody and responsibility of immovable assets lies with the FOM (backed up by ED).
5. The following documents should be filed in such a way that they are accessible:
 - Inventory lists, duly signed;
 - Purchase invoice of fixed assets;
 - All other fixed assets related documents.

6. Any loss, damage or theft of assets should be reported immediately, and the responsible staff should bear the payment for the LOST/THEFT item. The payment should be based on book of value of the lost/theft item. The book value of the lost item and the decision to reimburse the amount for the lost item is to be decided by the management.
7. A collective insurance should be obtained from a reputable insurance company for all risks that will potentially affect fixed assets, particularly vehicles.
8. In accordance with the CIPAD, all non-expendable property purchased under the individual awards shall remain in the custody of CIPAD unless the award document states otherwise.
9. Special care should be taken in the disposal process of fixed assets. CIPAD should be abided by the relevant legislation and procedures of the government of South Sudan. OCS directive is the governing body on how and when to dispose assets being used by CIPAD.

2.4. Stock Management

1. CIPAD's accounting policy on stock is to maintain at First-In First-Out (FIFO) basis and immediately write off the stock. Costs of the stocks shall include direct costs of purchase, all costs that are included in the supplier's invoice.
2. Stocks in main and other office should have proper detailed store records in terms of product code, title, quantity received, quantity requested and issued and current in-stock balance.
3. A system of continuous physical stock taking should be maintained at each office where the stocks are located. Thorough checks of physical stocks and reconciliation should be maintained at interval.
4. Stocks are issued up on approval from concerned department. Stock cards are managed by Administration Team and bin card is managed by the store keeper (office assistant) and Cashier/Accountant.

2.4.1. Internal Control Over Stock

1. Individual stock card maintained by operation section should always reflect quantity and cost of the items.
2. Individual bin card balance should always be reconciled with stock card quantity held by Cashier/Accountant.
3. Pre-numbered GRN (Goods Received Notes) should always reflect receipt of supplies into store.

4. Supply issuing voucher should only be prepared for items voted for approval by the responsible department.
5. Integrity of numerical sequence of supply receiving voucher and supply issuing voucher should be strictly followed.
6. Stores should be protected to prevent theft and unauthorized movement of stocks.
7. Unauthorized persons should not be allowed to access store.

Approved by Board on 17th of April 2020

Sign

A handwritten signature in blue ink, appearing to read "Jacob Lual Jok", written over a horizontal line.

Jacob Lual Jok,
Board Chairperson.