ASSETS MANAGEMENT POLICY

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DEFINITION OF ASSETS MANAGEMENT POLICY: -
The Civil Society Legislative Advocacy Centre, CISLAC asset management policy consists of the purchasing price and all directly attributable costs of bringing CISLAC’s fixed asset to working condition. This asset management policy also ensures that there is knowledge and understanding by staff and contracted parties about the long-term and the cumulative consequence of being custodians of these assets. This policy is achieved by ensuring that systems and processes are in place to enable people determine the most effective and efficient options for delivering infrastructure related services while controlling exposure to risk and loss. The asset management policy also provides the framework that enables asset management strategy.

ASSETS REGISTER:
CISLAC’s asset register is a document that contains a list of assets owned by the organization. It contains pertinent details about each fixed asset which helps to track their value and physical location. The register shows the quantity and value of assets like office equipment, furniture, computers, communication systems and equipment”. It also shows where these assets kept or used. Sometimes, a serial number is also on the item and recorded. Items that are sold are also recorded here.

IMPORTANCE OF AN ASSET REGISTER
The Assets Register helps CISLAC to ascertain those assets in the possession of staff, the office management and other third parties. The total value of these assets can also be cross-checked on CISLAC’s balance sheet or ledger.

The document is a reference for business purposes and for asset tracking. It is also used for depreciation purposes when calculate depreciation for fixed assets. The register is also regularly updated as new assets are acquired in CISLAC.

DETAILS OF AN ASSETS REGISTER
CISLAC asset register is offline and online. The first step to setting up CISLAC asset register was to gather information that is common to all the assets in the organization, classify the assets into categories and assign them unique IDs via the following information:

- Depreciation charged on an annual basis
- Date of acquisition
- Original cost
- Net book value
- Date of disposal
- Accumulated depreciation charge
- Unique code number or reference for the asset
- How the capital expenditure was financed—hire purchase, loan etc.

PROCEDURE FOR UPDATING ASSET REGISTER
The Office Manager updates the asset register on a monthly basis using the furniture and equipment line item from the financial record. The Head of Accounts also provides on a monthly basis the asset ledger with the following documents:

A. payment vouchers
B. invoice
C. suppliers Delivery Note/waybill
D. Good received Note.

CISLAC's assets purchased at the regional offices are tagged by the finance and administration officers in the region. The Regional office Head shall provide the tags to the regional offices.

ASSETS DISPOSAL:
The gain or loss is calculated as the net disposal proceeds, minus the assets carrying value. Here are the options for accounting for the disposal of assets: No proceeds, fully depreciated. Debit all accumulated depreciation and credit the fixed asset.

HOW TO RECORD THE DISPOSAL OF ASSETS
The disposal of the assets involves eliminating assets from the accounting records. This is needed to completely sheet (known as DE recognition). An asset disposal may require the recording in the gain or loss on the transaction in the reporting period when the disposal occurs. For this purpose we will assume that the asset being disposed of is a fixed asset. The overall concept for the accounting for asset disposals is to reverse both the recorded cost of the fixed asset and the corresponding amount of accumulated depreciation. Any remaining difference between the two is recognized as either a gain or a loss. The gain or loss is calculated as the net disposal proceeds, minus the assets carrying value.

CISLAC's OPTION FOR THE ACCOUNTING FOR THE DISPOSAL OF ASSETS:
- No proceeds, fully depreciated. Debit all accumulated depreciation and credit the fixed asset.
- Loss on sale. Debit cash for the amount received, debit all accumulated depreciation, debit the loss on sale of asset account and credit the fixed asset.
• Gain on sale. Debit cash for the amount received, debit all accumulated depreciation, credit the fixed asset, and credit the gain on sale of asset account.

A proper fixed asset disposal is of some importance from the perspective of maintaining a clean balance sheet, so that the recorded balance of fixed assets and accumulated depreciation properly reflect the asset actually owned by a business.