



Fixed Asset Policy

September 2022

Table of Contents

Table of Contents	2
1.0 Tracking and Reporting of Assets.....	3
1.1 Equipment Maintenance	3
1.2 Disposition	4
1.3 Fixed Asset Register	4
1.4 Depreciation.....	5
1.5 Management for Loss or Theft of Assets	6

1.0 TRACKING AND REPORTING OF ASSETS

Immediately upon receiving an asset with a current fair market value of NGN 100,000 or more, the receiving office shall register it in NANA's asset register with the Administrative Department. NANA shall maintain procurement records that include bid and purchase information, make, model, serial number and location, among other information.

If a tracked asset is donated, the Executive Director or Department Head and a second authorized official must complete and sign an Equipment Donation Authorization form (available from Administrative Department). The completed form should be sent to NANA's Administrative Department.

When a tracked asset is lost, stolen, destroyed, or otherwise removed from service, the Administrative unit shall be notified in writing. Notification shall be dated and include the asset tag number, description of the item, and an explanation of the reason for removing the asset from the active asset list.

An organization-wide inventory of tracked assets is undertaken annually. This inventory is the basis for the asset insurance charges. If the asset is not listed on the inventory, it is not insured. Administrative unit sends inventory sheets electronically to all offices. The office is to account for all assets on the sheets, and add any asset that is in the office but not on the sheets. The inventory sheets are to be sent back to accounting both electronically and in hard copy.

Assets are valued at the historical purchase cost for inventory, insurance, and donation purposes. Assets are valued at fair market value at award/contract closeout for disposition with the funder.

1.1 EQUIPMENT MAINTENANCE

Equipment (durable assets with current fair market value of more than *NGN 100,000* per unit) shall be inspected by a qualified technician every six months. At the time of inspection, the technician will perform preventive maintenance as recommended by the manufacturer.

For each piece of equipment inspected, the technician will fill out an "Equipment Inspection Report" describing the following:

- Date of inspection;
- Machine inspected with model and serial number;
- Maintenance performed;
- Repairs needed, if any; and
- Parts required for repair.

The report must be signed by the inspecting technician. An appropriate Equipment Inspection Report form is available from NANA's Administrative Department. Equipment Inspection Reports should be forwarded NANA's Accounting Department for approval of suggested repairs and ordering of required parts, if necessary.

1.2 DISPOSITION

At the close of a project, the Account unit will provide a listing of all inventoried property purchased under the award/contract. This listing will include a fair market value column. A request for disposition will be sent to the funder according to the grant documentation and the applicable regulations.

1.3 FIXED ASSET REGISTER

NANA shall maintain a Fixed Asset Register for all assets. The purpose of fixed asset procedures is to ensure:

- Grant recipient's assets are safeguarded by recording their details and monitoring their location and condition.
- Any movements of fixed assets is monitored and recorded in the Fixed Assets Register.
- Register of Non-Expendable (Fixed) Assets shall be maintained by NANA.
- The asset item should also bear the asset number marked in an indelible form.
- Obsolete assets will continue to keep their number until they are properly disposed.
- Approval must be obtained from NANA's management for disposal of assets procured with the project funds.

- Where an asset is replaced, it will be issued a new number
- The Assets register will record asset description, classification, cost, date of purchase, identification number, location, custodian, date of disposal, and disposal cost.
- Regular checks, at least once yearly, to confirm the physical existence of the assets should be carried out by the Administrative Officer and report to NANA's board of Directors.
- The Assets as may be applicable shall be classified as follows:

Type of Asset	Code
Motor Vehicle	MVH
Office Furniture and Fittings	OFF
Office Equipment	OEQ

Format for the identification number of NANA assets will be as follows:

Location / NANA - Type of Asset / Serial Number
(SOK / NANA/OFF / 001; BK/ NANA/OEQ / 003, etc)

1.4 DEPRECIATION

In order to provide a systematic method that allows for the accurate recording the depletion/use of NANA's assets, NANA will depreciate its assets in a straight-line method.

Under the straight-line method, the value of an asset is reduced uniformly over each period until it reaches its salvage value. It is calculated by dividing the cost of an asset, less its salvage value, by the useful life of the asset.

Straight Line Depreciation Formula

$$\text{Annual Depreciation Expense} = \frac{\text{(Cost of Asset - Salvage Value)}}{\text{Useful Life of the Asset}}$$

Where:

Cost of Asset is the purchase price of the asset.

Salvage value is the value of the asset at the end of its useful life

Useful life of the Asset represents the number of periods/years in which the asset is expected to be used by the company

While the depreciation rate is calculated as follows:

$$\text{Annual Depreciation Expense} = \frac{\text{Straight line depreciation rate}}{(\text{Cost of Asset} - \text{Salvage Value})}$$

How to calculate straight line depreciation

- a. Determine the cost of the asset
- b. Subtract the estimated salvage value of the asset from the cost of the asset to get the total depreciable amount.
- c. Determine the useful life of the asset.
- d. Divide the sum of step (2) by the number arrived at in step (3) to get the annual depreciation amount.

ITEMS	USEFUL LIFE
Office building	50
Furniture	30
Vehicles	5
Equipment	20

1.5 MANAGEMENT FOR LOSS OR THEFT OF ASSETS

Each unit is required to conduct its own review of any assets which are lost or stolen. The staff/personnel to whom the equipment was assigned must also provide a written report of the review which must be signed/approved by the head of unit.

Any loss of an asset with a net-book value of NGN200,000 or less at the time when loss is discovered is reviewed by the Director of Operations and such amounts can be written off without further approval subject to the findings of the review. Any loss of an asset with a net-book value above NGN200,000, at the time when loss is discovered, is reviewed by the Director of Operations and a formal request for write-off is required through the Office of the Director to the Executive Director.

The Administrative Manager is responsible for any follow up issues regarding the loss or theft and for ensuring the necessary corrections are made in the Asset Management Register to reflect the loss or theft.



ASSET MOVEMENT FORM

TRANSFER DETAIL:

	Move from:		Move to:
Name		Name	
Department		Department	
Email		Email	
Phone Number		Phone Number	
Signature		Signature	
Date		Date	

ASSET DETAIL:

Name of Asset	
Specification	
Model/Year	
Manufacturer	
Tag Number	
Quantity	

REASON FOR TRANSFER:

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AUTHORIZING STAFF

Name	
Sign	
Date	

This form shall be used for both Asset Transfer and Asset Disposition

POLICY APPROVAL

On behalf of NANA Girls and Women Empowerment Initiative and its Board of Directors, I hereby approve this Fixed Asset Policy and state that all the conditions of this policy shall guide procurements in NANA and shall be binding on all employees and stakeholders of NANA.

By: _____

Dr. Muhammad Lawal Maidoki
Chairman Board of Directors
NANA Girls and Women Empowerment Initiative