



Uttaran

Assets Management Policy

Community Mobilization

Poverty Eradication

Environmental Justice

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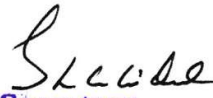
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01	Date: March 2007		
	Approved by on behalf of executive board	Shahidul Islam Director	Dr. Nazrul Islam Chairman
	Recommended by	Haridas Malakar, Coordinator (Accounts and Finance)	
02	Date: March 2010		
	Approved by on behalf of executive board	Shahidul Islam Director	Dr. Nazrul Islam Chairman
	Recommended by	Haridas Malakar, Coordinator (Accounts and Finance)	
03	Date: April 2014		
	Approved by on behalf of executive board	Shahidul Islam Director	Dr Nazrul Islam Chairman
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04	Date: March 2017		
	Approved by on behalf of executive board	Shahidul Islam Director	Dr Nazrul Islam Chairman
05	Date: November 2023		
	Approved by on behalf of executive board	Shahidul Islam Director	Sarder Md. Rezaul Karim Chairman
	Recommended by	Riaz Ahmed Raj, Manager (HR and Admin)	
06	Date: January-2026		
	Approved by on behalf of executive board	Shahidul Islam Director	Sarder Md. Rezaul Karim Chairman
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UTTARAN ASSET MANAGEMENT POLICY

The Asset Management Policy of Uttaran outlines the principles, rules, and procedures for the effective acquisition, use, safeguarding, maintenance, and disposal of assets of Uttaran. The policy aims to ensure transparency, accountability, efficiency, and value for money in managing organizational assets.

Any efforts improving the system and procedures must be directed toward the respective management team. This policy is designed to serve as an essential tool, not only for administering individual assets but, in the larger context, for strengthening the capacity of Uttaran.

Safeguarding of assets is defined through this policy and procedures that "provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposal of the organization's assets that could have a material consequence.

For instance, the organization has safeguarding controls over inventory and also carried out routine physical inventory counts. Uttaran assets safeguards starts with the execution of suitable internal and external controls, and the service.

The safeguarding of assets is defined as "provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the organization's assets that could have a material effect.

The internal control over safeguarding of assets against unauthorized acquisition, use or disposition is a process, affected by organization management, selected committee and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the organization assets.

The organization has safeguarding controls over inventory tags (preventive controls) and also performs periodic physical inventory counts (detective control) timely in relation to its half yearly and annual financial reporting dates. Actually the physical inventory count does not safeguard the inventory from theft or loss.

The assets safeguard is directly or indirectly linked to efficiency and effectiveness considering the overriding focus of Uttaran as efficiency seeking systems. Therefore, any practice to protect danger to assets, in any kind or manner, tends to increase the efficiency and effectiveness in the achievement of Project objective, which is a fundamental part. The assets safeguard mechanism is in place to proper identification and accountability of assets of all kinds to minimize wastage and losses. Uttaran is keen that assets safeguard enhances organization performance through efficiency and effectiveness in the utilization of the assets involved.


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1. Recognition of Asset

Property, plant and equipment (fixed assets) shall be recorded at cost. The title of fixed assets purchased by Uttaran shall belong to Uttaran irrespective of its sources of resources out of which it is acquired. But in case of assets purchased under any donor's project shall be treated as dictated on the deed of agreement. Ownership of project assets can be considered as Uttaran's assets after the completion of the project subject to have written dictation in the agreement/understanding or getting approval from the donor. But until the end of the project, all assets should be handled with care as like as Uttaran's other assets.

Any asset purchased for the use of Uttaran shall be capitalized when it satisfies following conditions:

- a. Minimum value for capitalization of an asset is taka 5,000 or having a useful life for more than one year. Any asset of which purchase value is less than Taka 5,000 (except office Furniture, Fixture and Equipment etc having a useful life for less than one year.) shall not be considered as an asset and accordingly shall be treated as expenditure.
- b. Expected useful life of the asset must be at least one year other than system & software.
- c. After recognition as an asset, all the fixed assets shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

However, expenditure qualifying as fixed asset as per above criteria can be charged to **expenses** as per requirement of any particular donor.

Before making payment of any fixed asset, equipment or material Finance Department will ensure that the purchased items must have the good received note with proper specification.

2. Purpose

The purpose of this policy is to:

- Ensure proper control and accountability of all assets owned or used by Uttaran
- Prevent misuse, loss, theft, or damage of assets
- Support accurate financial reporting and compliance with Uttaran Management and donor and regulatory requirements
- Promote efficient and economical use of assets

3. Scope

This policy applies to all assets of Uttaran, regardless of funding source, including donor-funded assets. It is applicable to all employees, management, consultants, volunteers, and any other persons entrusted with the use or custody of organizational assets.


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4. Definition of Assets

Assets include, but are not limited to:

- Land and buildings
- Furniture and fixtures
- Vehicles and motorcycles
- Computers, IT equipment
- Machinery and tools

Any other items of value owned, leased, or controlled by Uttaran

5. Asset Classification

Assets shall be classified as:

- Fixed Assets
- Current/Consumable Assets

5.1 Uttaran Fixed Asset Management System

Fixed Assets are resources of an organization that have the potential for providing with future economic benefits. Control over fixed assets is an essential part of routine management exercise. This chapter highlights some basic control issues concerning fixed assets management. Uttaran Logistic team shall ensure the best utilization and accounting for all of its fixed assets.

5.1.1 Fixed Assets are:

Assets that are used in the Uttaran operation are not intended for resale. Have a useful life of more than one year and and significant value. This includes any asset, which costs at least Taka 5,000/- (Five thousand). And have an estimated life more than 1 year. Such as Land, building, vehicles, equipment, furniture & fixture etc.

5.1.2 Safe keeping of Fixed Assets

Fixed Assets must be safeguarded from fire, theft, damage and other risk factors associated. Adequate fire fighting measures should be taken, wherever necessary, to protect the assets from fire and other hazards. Electrical, electronic and other sensitive equipment must be protected from power surge and other electrical hazard. Computer and other office equipment must be protected under controlled environment from excessive heat and burn.

5.1.3 Custodianship

The Director on behalf of Executive Committee shall act as the Chief Custodian of all assets of Uttaran. A list of all Fixed Assets should be kept in the Logistic department at the Head Office for controlling, tracking and instant reference.


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5.1.4 Donated Assets

Assets, which have been donated to Uttaran, should be included in the accounts, if the donor declares any valuation of such asset. In absence of any valuation, all such donated assets should be recorded in the Fixed Asset Register at "No Value" and be given a separate ID number for securing existence. However, only one Taka value shall be kept against each of such assets.

5.1.5 Non-Capitalized/Consumable Assets

Uttaran shall record all assets, whether capitalized or not, in the Fixed Asset Register (FAR). Non capitalized assets shall also be recorded in the Fixed Asset Register as a memorandum record to have a control on those assets. All these assets shall carry unique asset numbers, so that they can be easily identified. The Fixed Asset Register must have a soft copy and a signed hard copy.

An asset purchased for the use of Uttaran shall be non capitalized asset when it does not satisfy any of the following conditions:

The benefits of the expenditures on the assets are expected to extend more than one year. Shall be used on a continuous basis and not intended for sale in the ordinary course of action.

5.1.6 Fixed Asset ID Number

When an asset is purchased, it should be given a unique asset serial number (ID Number) which should be physically marked only on fixed nature of movable assets and held in the Fixed Asset Register of Uttaran.

This ID number is the identification mark provided by Uttaran. Such ID mark should be written on the assets in such a way that it could be easily noticed.

The Logistic Department of Head Office of Uttaran shall be held responsible for determining fixed asset ID number. In case an asset is purchased in the year and month then the same must communicate to the Logistic Department of Head Office for allocation an ID number for that asset.

- a. UTT
- b. Particular of the project.
- c. Three digit number/narration for group assets.
- d. Three digit number for identification of assets.

Like: UTTA-Shree-Alm-01, Where donor prescribed the tag number in the fixed assets, Uttaran will follow the same and give additional number following the Uttaran format.


5.1.7 Fixed Asset Register

All fixed assets shall be recorded in the Fixed Asset Register soon after the purchase by affixing an identification mark for each individual item. The register should give details of each asset as follows:

Asset ID number

Asset Model No


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Supplier Name
User Name (vehicle and electronic equipment)
Date of acquisition
Description of assets (Including the assets wherever applicable) Unit
Cost per Unit
Total value (cost) of the asset
Location of the asset
Condition of asset
Remarks

5.1.8 Movement of Fixed Assets

Change in location of an asset from its designated location to some other location requires an approval from Administration stating the reasons for such transfer or dislocation. A copy of such approval shall be forwarded to the Director / designated persons.

Administration and respective Project Accountant must countersign copy of asset transfer report immediately after the transfer takes place to ensure registration of new location of the asset. A copy of such report shall be forwarded to the Director/ designated persons. For the purpose of recording and keeping control on fixed assets, a gate pass/Challan shall be issued for delivering any computer or other equipment to the vendor or repairing shop for repairing of those items.

No property of the Organization should be allowed to be taken out of the office premises without an approved gate pass/Challan and an entry in the asset movement register.

The gate pass/Challan should be signed by the guard/assigned supervisor while taking out of the office premises as a witness of the movement of fixed assets.

5.1.9 Physical Verification of Fixed Assets

Uttaran shall arrange physical verification of fixed asset of the organization at least twice a year to identify the quantity and quality of the assets including present location. Team engaged for physical verification of assets shall submit a report to the Director, containing following information:

- a. Asset no.
- b. Name/description of the assets
- c. Location
- d. Quantity of assets as per book
- e. Quantity of assets physically found
- f. Quality of the assets
- g. Any impairment loss
- h. Any idle equipment
- i. Registration update of the vehicle, motor cycle.
- j. Remarks, if any
- k. Recommendation for writing off/disposal

UTTARAN may engage its auditors or some other firm to assist in carrying out physical verification of assets of the organization.

Any disposal or write-off of fixed assets shall require approval of Director.


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UTTARAN shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, UTTARAN shall estimate the recoverable amount of the asset.

If and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss.

5.1.10 Sale/Disposal of Fixed Assets

Fixed assets, which are in poor condition or no longer required for use can be disposed off either by sale or scrapping. The process of disposal must be approved by the Director prior to starting such process.

Before making any proposal for disposal of the assets, the conditions of the grant agreement must be followed. If there is any restriction on sale or otherwise instructed by the respective donor on disposal of assets then their instructions should be followed.

If there is no restriction from the donor on disposal of assets, then management can take its own decision on such disposal.


If an item of fixed asset gets permanently unusable, broken, and obsolete or is no longer necessary then, this item could be sold out if donor allowed. The following procedures will apply in case of selling of fixed assets, which is owned by the organization:

- Uttaran will form a committee to identification and sales/disposal of the assets.
- Disposal of fixed assets should depend upon the condition of the asset and usefulness to the Uttaran. Items having no market value may be destroyed or donated to others with the Director if the asset is not useful to Uttaran.
- To dispose of old or unusable assets or if assets are stolen or lost, a report with all the details have the assets shall be submitted to the Director. For valuable assets stolen, an FIR shall be lodged with the local police station. Valuable assets can be determined by the management. Investigation shall be made for assets lost and/or stolen and action should be taken against person responsible for such irregularities.
- Fixing of selling price of a fixed asset should be based on its acquisition cost and current market value can be determined by using independent evaluation and judgment, current price lists of identical items, newspaper advertisement, information from authorized equipment dealers and other sources.
- Items having market value less than Taka 200,000 may be sold off directly to the buyers without having tender, as per decision of the disposal committee and approval of the authority.
- Items having market value of Taka 200,000 or more should be sold through a public tender and sealed bidding process as per decision of the disposal committee and approval of the Board. Sale of fixed assets through sealed bids quotation for getting maximizes the possibility and the best price.

At the time of disposal of the asset, the value of accumulated depreciation as well as the cost of the assets shall be taken out from the Fixed Asset Register.

In case of sale, if the sales price of the disposed asset is greater than the Written down Value (WDV), then the difference between the sales price and WDV shall be treated as 'Profit on Disposal of Fixed Assets'


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On the other hand, if the sales price of the disposed asset is less than the WDV, then the difference between the sales price and WDV shall be treated as 'Loss on Disposal of Fixed Assets.

5.1.11 Writing off Fixed Assets

In case an asset is damaged or becomes unserviceable, the maintenance section will certify the condition and propose for write off. Logistic Department will place the proposal with the relevant data of cost, year of purchase, depreciation charged, written down value etc. to the Management for appropriate decision with the consent of the Director

6. Depreciation Policy

- I. Uttaran shall follow Straight Line method in calculating depreciation on its fixed assets.
- II. Depreciation will be calculated on quarterly basis in accordance with reporting cycle.
- III. Full quarter's depreciation shall be charged on fixed assets for the quarter of acquisition and onward.
- IV. No depreciation shall be charged for the quarter of disposal of asset.

6.1 Rate of Depreciation

Depreciation shall be charged in each financial year on every capital assets at the rate provided below:

⇒ Office Equipment	15%
⇒ Furniture and Fixture	15%
⇒ Motor Vehicle	20%
⇒ Building	2.5%
⇒ Computer and related attachments	33.33%
⇒ Systems and Software	25%
⇒ Health Care / Medical Equipment	25%

6.2 Depreciation Calculation

a. Formula of calculating yearly depreciation under straight line method is as follows:-

$\text{Cost price} - \text{residual value} / \text{life of assets (year)} * 100$

Example:-

Cost Price of Machinery is Tk.200,000.00, Residual value is Tk.10,000.00
Total service life is 10 years
So, yearly depreciation will be: $(200000.00 - 10,000.00 / 10) = \text{Tk.}19,000.00.$

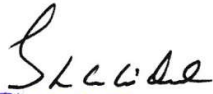
b. Formula of calculating depreciation rate under straight line method is as follows:-

$\text{Yearly depreciation} * 100 / (\text{Cost price} - \text{residual value})$

Example:-

Cost Price of Machinery is Tk.200,000.00 Residual value is Tk.10,000.00
Yearly depreciation is Tk.19,000.00.


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Depreciation rate will be as follows: -
 $Tk.19,000 \times 100 / (200000 - 10,000)$ or $190000 = 10\%$

UTTARAN can use any of the above or below method to calculating yearly depreciation on any fixed assets.

6.3 Asset inventory

The purpose of the assets inventory is the physical monitoring of the items belonging to a project. The inventory makes it possible to detect differences between information about goods in the records and the actual state of goods.

Logistic Department will identify and record all fixed assets and control item in the appropriate management system/register. Cost by funding source will be recorded with each assets record. Fixed assets and control items, including purchase, capital leases, construction, improvements, donations, eminent domain, or annexation, will be recorded regardless of acquisition type.

Uttaran will also maintain and inventory list which assets value is less than Tk. 5,000 and lifetime is more than one year and capital nature, like stapler, pen drive etc.

6.4 Removal of items

The inventory procedure described above permits the identification of dilapidated or defective goods whose presence in office presents more inconveniences than advantages, for various reasons:

- Steep rise in operating or maintenance expenses;
- excessive cost of repair;
- any other objective reason.

Following the Financial Authority, user should take initiative to take out of service, transfer or dispose of any items, and that should be noted in the book of assets.

7. Transfer of Assets

The transfer of assets will take place in accordance with the following guideline:

- Both the transferring and receiving department or section will appropriately account for fixed assets transfers. This applies to transfer between departments (interdepartmental transfer) or within departments (interdepartmental transfer).
- The transferring and receiving department head will approve interdepartmental transfers. From one project to another project is not allowed unless both donors are agreed for transfer.

Once a transfer has been completed, the receiving department will confirm asset transfer information. For intradepartmental transfers, the department is responsible to recording information related to the transfer and for updating the Fixed Assets register record.

8. Implementation of the Policy:

this policy has been published as part of the last governing board meeting and it will be reviewed after next 3 years.


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