**INTRODUCTION**

Asset management, to be more specific, controlled asset management, is a very meaningful activity in any organization. A general definition of asset is: all non-consumable goods with a unit value in excess of X dollar amount, usually established by the organization, and with a useful life of one year or more (UCAR Property Manual, 2002). Proper asset management establishes and maintains a current inventory of this type of property within the company. By doing so, the institution ensures responsibility and accountability of these assets, in addition to the efficient and effective use of them. Furthermore, a good asset management program can facilitate the physical inventory process of assets, establish their insurance condition and comply with federal, state and local policy. Thus, Asset can be defined as property and items that have commercial value owned by a person or business. The primary classifications of assets are: current assets, long-term assets, prepaid and deferred assets, and intangible assets.

Asset management is a business discipline, which describes the management of technical infrastructure for business operation. Asset management entails managing company’s property and investment for people and company as well, using a more technical and result oriented approach with detail report and economic forecasting on finance and wages.

Asset Management Software easily automates the whole process of asset management from asset documentation, stocks, hardware and software management, assigning asset to staff and managing categories as well. System users are created by the system admin where each staff is able to login in with the provided authorization and manage asset registered on the system. The admin has the sole authority over the system.

Today, companies have a large quantity of assets. To provide better service and to be more efficient, organizations are always acquiring more assets. Every company and/ or organization in today's economy needs to keep up with the ever changing technology to contribute to meeting market expectations. Better and improved assets can make organizations more valuable because of their use and the benefits that these assets provide. For example, faster service and better support to a company's operations can help provide a better quality service to the organization's customers. Institutions, worldwide, need assets and management processes to control how these items are purchased, store and utilized by the firm. Assets are high cost items; this is a reason why all companies need to manage their assets in an organized manner. Many microfinance banks have assets inventory management system, which helps them ensure proper control and management of their assets. The improper management of an organization's assets can have a negative effect on the institution for example, hidden costs associated with excess of assets. The asset management system being used in RALPH OLARK ventures has failed to live up to the requirements of the existing asset scenario. The ability to access and process information quickly while displaying it in a spatial and visual medium makes staffs to go through a lot of stress to allocate resources quickly and more effectively.

**Statement of the Problem**

This research work was undertaken to uncover some of the problems with conventional Asset management systems. Here asset manager manages several company and persons, he/she achieve this by taking proper documentation and record keeping, these records grow with time and ease of use as well as retrieval of information becomes tedious. Access to sensitive information or portfolio becomes grueling. Using these conventional method pose lots of constraint on managers has he/she has to move around with large files always to be able to have first-hand access to info on demand. These slow work process and affect rapid growth in an establishment.

**Significance of the Study**

The implementation of this work will help in the proper management of fixed and controlled assets in order to avoid hidden costs associated with the mismanagement of this type of property. A new management process will support decisions when buying, eliminating or assigning assets within the organization.

**Aim and Objectives of the Study**

The design and implementation of Automated Asset Management Information system will help to provide the manager the information needed i.e. the asset that sells most in an area.

1. To Develop and implement an Automated asset management information system
2. To implement the design system in (i) above Using Vb.net and Dev express 12.0
3. To evaluate the performance of the newly developed system based on user accessibility

**LITERATURE REVIEW**

Companies worldwide have assets to support business operations. These assets are an essential part of every business. Sometimes asset management can be difficult if there are not policies and procedures in place. Assets affect myriad aspects of financial planning, reporting, and control. Many discrete, complicated, and time-dependent tasks comprise asset management. In addition, the slightest error can have drastic effects. This chapter will present a literature review to better explain the importance of assets management, and how important these assets are to an institution.

**ASSETS DEFINITION**

Assets are non-consumable goods, tangible in nature and have a useful life longer than one year. According to William D. Brady, Jr. (2001), "it can be any item costing over a certain dollar amount, large or small, to an item that has a certain useful life." These assets are classified as land, improvements other than buildings, operating plants, equipment, vehicles, and construction in progress (Peterson, 2002). Assets can be both movable and immovable. Items of insignificant value, while they meet the above criteria, are normally expensed instead of being considered assets.

For profit and non for profit organizations, such as universities, are required under GAAP, General Accepted Accounting Principles, (Delaney, Epstein, Nach and Budack, 2002) to maintain a ledger or group of accounts in which to record the details relating to the general assets of the organization.

Establishing and maintaining complete and accurate accounting records for assets is important for several reasons as stated by Brady (2001). First, the value of assets is large in most organizations. Therefore, adequate accounting procedures and records are essential for effective property management (including risk management) and control. Second, the stewardship responsibility involved in safeguarding such a large investment is of the utmost importance for good financial administration. Third, adequate assets records can assist in making management decisions. Proper use of these records may prevent unneeded assets from being purchased. Asset records also could be used to help clarify long-term capital budgeting needs. Finally, accurate and complete assets records can prevent the possible misstatement of the institutional financial statements for assets. Otherwise, assets such as those acquired under capital leases and joint ventures could be overlooked.

**CLASSIFICATION OF ASSETS**

Assets should always be recorded in the accounting records of an institution. Accounting classifications of fixed assets accounts are as follow (Heintz& Parry, 2002):

**1. Property**

**Land** - Assets account that reflects the acquisition value of land and the rights to land owned by the organization. It includes all land held in fee simple and all rights to land that have no termination date.

**Improvements Other Than Buildings** - Assets account that reflects the acquisition value of permanent improvements (other than buildings) that add value to the land or improve the use of the land. Examples of such improvements are: fences, retaining walls, drainage systems, sidewalks, parking lots, and driveways. It is good to make clear that the term improvement and betterment have different meanings when used with assets. Improvements are fixed assets permanently attached to land. Betterments are additions to or changes in existing depreciable assets intended to increase their efficiency or prolong their useful lives. Recording of this type of assets in the accounting records is optional. This category of assets is immovable and of value only to the institution (US Department of Housing and Urban Development, 1999).

**Buildings**- A assets account that reflects the acquisition value of permanent structures owned by a business to house persons and property. Permanently installed fixtures to or within these structures are considered parts of the structures. The cost of major improvements to structures is included in this account.

**2. Plant**

**Operating Plants**- A assets account that reflects the acquisition value of plants used to provide the services of utilities, including both the building and the equipment

**3. Equipment**

**Equipment**- A assets account that reflects the value of tangible property not permanently affixed to real property, used in carrying out the operations of the business. Examples of equipment are machinery, furniture, and vehicles. This project will specifically examine and recommend a new process for the management of equipment

**RECORDING ASSETS**

Business may acquire assets by several methods. Possible acquisition methods include purchase with a Purchase Order or PO, lease-purchase, installment purchase, construction, and gifts. The method of acquisition of assets should be properly recorded on the books of account and in subsidiary records that provide detailed information on each asset in an article published in Management Accounting: Magazine for Chartered Management Accountants, Stephan Moriarty (Moriarty, 1998) says that "a lot of financial managers do not have accurate information about what their companies own (pg 42)", and continues explaining how important it is to record assets in the appropriate books.

There are many rules and regulations on what and how assets should be recorded. To avoid recording many assets with low values that do not, in the aggregate, amount to a material portion of the value of the assets, organizations should set minimum asset values below which an asset is not recorded in the assets records. There are some guidelines recommended to make decisions on when to record an asset in the assets records taking into consideration its value. Peterson (2002) recommends the following in his Accounting for Assets book:

**Land**- All land and permanent rights to land should be recorded without regard to any significant value. Improvements other than Buildings- Improvements other than buildings that cost $1000 or more should be recorded as assets.

**Buildings**- All buildings should be recorded at acquisition cost without regard to significant value.

**Operating Plants**- All buildings classified within the operating plants account should be recorded at acquisition cost without regard to significant value.

Equipment and Vehicles- Equipment and vehicles costing $1000 or more should be recorded as assets.

The dollar amount used to decide whether an asset is of significant (capitalized or expensed) value should be a policy decision of the institution's governing board. When an organization decides to increase its threshold for capitalization, all old assets not meeting the new requirement should be removed from the assets records (Peterson, 2002).

In many cases, institutions decide upon what movable fixed and controlled assets will be recorded and how. For equipment and vehicles, an amount of "X" dollars is set for an item to be classified as assets. If the equipment bought is "X" amount or more it can then be considered a asset Controlled assets on the other hand, are tangible and movable items with a value of less than the "X" amount but need to be controlled as regular assets because they are considered to be highly susceptible to theft or misuse.

**CONTROLLING ASSETS**

All assets must be physically identified, clearly marked, and the responsibility for their custody must be assigned. Kriss (1999), in his article Where have all the PCs gone?, agrees with this statement when he says that "consistent tracking of high-tech assets can yield a number of important benefits and put real dollars on your bottom line." One of the main reasons for assets management is the need to have secure control and accountability over the business' assets (Brady, 2001). Policies and procedures on how to control the organization's assets should be in place. Accountability of fixed and controlled assets is a key feature in the management of this type of property. As Brady explains, "the primary purpose of assets management is to ensure accountability of the significant investment in assets entrusted to administrators." This is why many organizations for example, Banco Popular in the Dominican Republic, have designated users to their assets for better accountability and safeguard of these items.

There are many methods on how to assign control numbers or identify assets. Alternative ways of identifying assets can be accomplished through a serially numbered metal or durable plastic tag affixed to the asset. These identification tags should be made of a permanent adhesive that adheres to all surfaces. With the advance of technology, identification tags are also available with bar codes. As stated in Frontline Solutions News (Anonymous, summer 2002-03), "bar code remains the most widely used automatic data capture technology for lifetime item identification". There are a number of systems now, which use the barcode and laser scanning technology easing greatly the task of physically auditing and tracking assets. Stephan Moriarty, Managing Director of Cast of, a leading supplier of computerized asset management in the UK and Europe, has worked with many organizations automating their asset management procedures (Moriarty, Oct 1996). "A few years ago we were having to do quite a lot of missionary work", says Moriarty, "but managers are now waking up to the fact that there are very substantial savings to be made through better management of assets". Most of Moriarty's clients judge that the time taken to do a full audit has been cut by between 70% and 95%, after using their system.

Those assets where it is impossible to affix a permanent tag, need to have a number so it can be positively identify as a capitalized asset (Brady, 2001). Identification numbers should be assigned and affixed as soon as the item is acquired.

**VALUATION OF ASSETS**

Assets should be accounted for at cost or if the cost is not practicable determined, at estimated historical cost. Donated assets should be recorded at their estimated fair market value when received (Peterson, 2002).

**Cost**- The cost of a asset includes the purchase price or construction cost (including costs of engineering studies) and ancillary charges necessary to acquire the asset or to place it in the intended location and condition for use. Ancillary charges include costs such as transportation charges, site preparation, professional fees, legal claims directly attributed to asset acquisition, and certain interest costs during construction. For equipment the costs of any testing also should be capitalized (Peterson, 2002).

**Estimated Historical Cost**- Institutions are sometimes required to establish appropriate assets accounting records after many years of operating without such records. In such situations, the original purchase documentation may not be available, or an inordinate expenditure of resources may be required to establish original costs precisely. Therefore, it may be necessary to estimate the original asset cost on the basis of documentary evidence available, including price levels at the time of acquisition, and to record these estimated costs in the appropriate assets accounts. In some cases, the cost may not be known but information and records may be available showing the year of acquisition. In this instance, a historical appraisal cost can be used (US Department of Housing and Urban Development, 1999). A historical appraisal cost is defined for this purpose as the current appraised value adjusted to the year of acquisition (Peterson, 2002). If the exact date of acquisition and cost are not known, but the general period of acquisition and cost are known, an average year during the period of acquisition and a reasonable estimated cost might be used (Peterson, 2002). The important concept is to obtain reasonable estimated costs to record these assets on the books and establish accountability.

Littrell and Thompson (1998), explained in their article, "Asset reporting: A research note", that using estimated costs does create some margin of error in the assets accounting records as compared to the proper recording at acquisition. However, such errors should diminish over time as assets are retired and replaced, and estimated costs are replaced with actual costs.

**CONCLUSION**

As stated many times before along this document, assets are the backbone of an institution's day-to-day operations. In addition, these items are of high costs and require to be managed as efficiently as possible. Although this is a vital management area for businesses, in many cases it is done inefficiently. The inventory and storage, as well as the recording and reporting of assets transactions, are some of organization’s major weaknesses in regards to the management of its property, to the point that there is few to none information in this regard. Moreover, the lack of a maintenance and repair module, along with clear definitions and procedures of what constitute the disposition of damaged, obsolete or unneeded assets, represents another area that needs major improvements and/ or restructure.

In conclusion, all processes, procedures and controls regarding the management of fixed have been very inefficient As a result, many organizations does not have assets management process that can provide reliable, precise, up-to-date, and fast information about the institution's property. Furthermore, many organizations do not know what its assets, their current condition, are or how well these items are maintained.

**RECOMMENDATION**

After findings provided in this research and the comparison matrix presented above, it is now useful to provide some recommendations for measures to put in place and activities to be carried out. These recommendations will allow most of organization to improve the management of its assets and reduce hidden costs associated with the inefficient management that has been carried out up to this point. The following recommendations are divided in two groups. Furthermore, we also recommend the following:

1. Redefine all policies, rules, procedures and controls related to asset management, based on best practices, and the needs of the institution.
2. Planning should be based on reliable, up-to-date and concise information in order to enhance the decision-making process.
3. Create assets management manual with all information regarding the management of assets.

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