PROGRAM TITLE

ASSET MANAGEMENT

PROCESS TITLE

Fixed Asset Management

1. SCOPE

This policies and procedures manual establishes policies, systems, procedures and controls on the acquisition, disposition, capitalization, depreciation, transfer and control of fixed assets. All duties and responsibilities stated in this manual are not exclusive to the personnel’s designated responsibilities in this process title.

1. OBJECTIVES

* To provide clear guidelines in the acquisition, disposition, capitalization, depreciation, transfers and control on the Company’s fixed assets.
* To clearly define the duties and responsibilities of all personnel involved in this process title.
* To ensure that proper documentation is established in the acquisition, disposition, capitalization, transfers and control of Company’s fixed assets.

1. PERSONNEL INVOLVED
   1. Requisitioner / Custodian
      1. Prepares the following documents:

* Capital Expenditure Request Form (CERF)
* Asset Disposal Slip (ADS)
* Accountability Form (AF)
  + 1. Acknowledges receipt of purchased fixe asset.
    2. Receives fixed asset by affixing signature on the “Received by” portion of the AF.
    3. Sends advise to Warehouse Department for receipt of purchased fixed asset.
    4. Returns requested fixed asset to Admin Department and signs the AF.
  1. Department Supervisor
     1. Authorizes the CERF. *(refer to* ***section VII.C.3****, page 8)*
  2. Department Manager
     1. Authorizes the CERF. *(refer to* ***section VII.C.3****, page 8)*
     2. Verifies the CERF. *(refer to* ***section VII.C.3****, page 8)*
  3. Vice President
     1. Verifies the CERF *(refer to* ***section VII.C.3****, page 8)*
     2. Approves the CERF *(refer to* ***section VII.C.3****, page 8)*
  4. President
     1. Approves the CERF *(refer to* ***section VII.C.3****, page 8)*
  5. Purchasing Department
     1. Canvasses and purchases the requested fixed asset based on duly approved CERF.
  6. Appropriate Engineering Personnel
     1. Inspects the requested asset for disposal.
     2. Endorses the ADS by signing the “Checked by” portion.
  7. Admin Department
     1. Updates the Fixed Asset Monitoring of any acquisition, transfer of accountability and disposal of fixed assets.
     2. Authorizes the disposal of fixed asset by signing the “Authorized by” portion of the ADS.
     3. Facilitates disposal of the fixed asset.
     4. Forwards proceeds, if any, from disposal of fixed asset to Cashier.
     5. Verifies the AF.

1. KEY TERMS
   1. *Property, Plant and Equipment (PPE)* – tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one accounting period.
   2. *Repairs and maintenance* – The costs incurred to bring an asset back to an earlier condition or to keep the asset operating at its present condition.
   3. *Freight* – A charge paid for carriage or transportation of goods by air, land, or sea.
   4. *Depreciation* – An amount charged against the historical cost of an asset representing the loss in value of the original asset as it is used and ages. Depreciation reduces the accounting value of an asset and is accumulated over the useful life of the asset.
   5. *Depreciable Amount* – The amount of cost that can be depreciated on an asset over time. The depreciable cost is calculated by subtracting the salvage value of an asset from its cost.
   6. *Salvage Value* – The estimated resale value of an asset at the end of its useful life.
   7. *Useful Life* – The estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to company operations.
   8. *Book Value* – The portion of an asset’s historical or original cost not yet depreciated or used. Book value can be calculated by subtracting accumulated depreciation from the historical or original cost of the asset.
   9. *Leasehold Improvements* – The modifications or attachments to a leased facility which becomes an integral part of the structure. Leasehold improvements include internal building configurations such as walls, electrical work, carpeting, as well as facility-related equipment such as heating and air conditioning equipment.
   10. *Contra asset* – A negative asset account that offsets the balance in the asset account with which it is paired to arrive to its carrying value.
2. ACCOUNTS

| **Account Code** | **Account Title** | **Account Description** |
| --- | --- | --- |
|  | Fixed Assets (FA) Account | The appropriate fixed asset account is debited for acquisition of PPE. |
|  |  |  |
|  | Accumulated Depreciation | This is a contra asset account of the fixed asset account. This is credited for any provisions for depreciation. |
|  |  |  |
|  | Accumulated Impairment Losses | This account is credited for any provisions of impairment losses. |
|  |  |  |
|  | Depreciation Expense | This account is debited to recognize provisions for depreciation of a fixed asset. |
|  |  |  |
| 000-00-00-000-0000-4155-4906 | Other Income - Sale of Assets | This account is credited for any gain recognized on sale or disposal of fixed assets. |
|  |  |  |

1. JOURNAL ENTRIES
   1. **Acquisition of PPE**
      1. Full Payment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Appropriate fixed asset account | | xx |  |
| xxx |  |  | Cash in bank or payable account |  | xx |
|  |  | *To record acquisition of PPE* | |  |  |

* + 1. Installment Basis

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Appropriate fixed asset account [1] | | xx |  |
| xxx |  | Deferred finance costs [2] | | xx |  |
| 000-00-00-000-0000-2121-2000 |  |  | Trade payables | xx |  |
| xxx |  |  | Cash in bank account [3] |  | xx |
|  |  | *To record acquisition of PPE through installment basis* | |  |  |

*1 – Equal to the cash price equivalent of the PPE.*

*2 – To be allocated and charged to expense depending on the terms of payment.*

*3 – This is presumed that a down payment was made.*

* 1. **Depreciation of Fixed Assets**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Depreciation expense | | xx |  |
| xxx |  |  | Accumulated depreciation |  | xx |
|  |  | *To record depreciation of fixed asset* | |  |  |

* 1. **Derecognition of Fixed Assets**
     1. Sale

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Cash in bank or receivable account | | xx |  |
| xxx |  | Accumulated depreciation | | xx |  |
| xxx |  |  | Fixed asset account |  | xx |
|  |  | *To record sale of PPE at carrying amount* | |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Cash in bank or receivable account | | xx |  |
| xxx |  | Accumulated depreciation | | xx |  |
| xxx |  |  | Fixed asset account |  | xx |
| 000-00-00-000-0000-4155-4906 |  |  | Other income - sale of assets |  |  |
|  |  | *To record sale of PPE at a gain* | |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Cash in bank or receivable account | | xx |  |
| xxx |  | Accumulated depreciation | | xx |  |
| 000-00-00-000-0000-4155-4906 |  | Other income - sale of assets | |  |  |
| xxx |  |  | Fixed asset account |  | xx |
|  |  | *To record sale of PPE at a loss* | |  |  |

* + 1. Trade-In

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Fixed asset account – new | | xx |  |
| xxx |  | Accumulated depreciation | | xx |  |
| xxx |  |  | Fixed asset account – old |  | xx |
|  |  | *To record trade-in of PPE at carrying amount* | |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Fixed asset account | | xx |  |
| xxx |  | Accumulated depreciation | | xx |  |
| xxx |  |  | Fixed asset account |  | xx |
| 000-00-00-000-0000-4155-4906 |  |  | Other income - sale of assets |  |  |
|  |  | *To record trade-in of PPE at a gain* | |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Fixed asset account | | xx |  |
| xxx |  | Accumulated depreciation | | xx |  |
| 000-00-00-000-0000-4155-4906 |  | Other income - sale of assets | |  |  |
| xxx |  |  | Fixed asset account |  | xx |
|  |  | *To record sale of PPE at a loss* | |  |  |

* + 1. Fully depreciated and retired assets

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account Code** |  | **Account Title** | | **Dr.** | **Cr.** |
| xxx |  | Accumulated depreciation | | xx |  |
| xxx |  |  | Fixed asset account |  | xx |
|  |  | *To record trade-in of PPE at carrying amount* | |  |  |

1. POLICIES
   1. **General Policies**
      1. Proper control procedures shall be followed for all fixed assets acquisitions, transfers and disposition in order to provide internal control and assist in reporting.
      2. Department Heads are responsible and accountable for furniture, equipment, machinery and any other fixed assets in their departments and will maintain appropriate control over those assets.
      3. Company properties shall be used exclusively for company purposes and shall be properly stored and maintained to keep them in good working condition.
      4. Business forms (i.e. RFP, APV, CkV, JV, etc.) shall be duly filled-out and signed by designated signatories. Any details/signatories which are not applicable must be duly indicated with “N/A”.
      5. Alterations, if any, in the business forms shall be duly countersigned.
   2. **Recognition and Measurement**
      1. An item of PPE shall be recognized as an asset when:

* It is probable that future economic benefits associated with the asset will flow to the entity; and
* The cost of the asset can be measured reliably.
  + 1. An item of PPE which is recognized as an asset shall initially recorded at cost. Costs shall include the following:
* Purchase price/invoice cost less supplier/vendor’s discount
* Sales tax
* Freight
* All other significant costs necessary to prepare the asset for its intended use.
* Other capitalizable costs may include initial inspection and testing, installation costs, and other similar expenditures if material in amount.
  + 1. The estimated useful life of the asset should be more than one year before it is recognized as PPE. Assets purchased with estimated useful life of at most one year shall not be capitalized.
    2. All costs that can be identified as having been incurred after acquisition but prior to placement in service in order to prepare a fixed asset for use should be capitalized as a part of the cost of the asset.
    3. Interest costs shall be capitalized on the acquired, constructed or produced “qualifying” asset – assets which necessarily takes a substantial period of time to get ready for its intended use.
    4. The associated interest costs should not be capitalized for the following assets:
* Assets that are either in use already or ready for their intended use
* Assets that are not being prepared for use
* Assets that are not being used in the Company’s earning activities
* Assets acquired with gifts or grants from donors, where the gift or grant is restricted to the acquisition of those assets
  + 1. Examples of costs that are **expensed** rather than recognized as element of cost of PPE are:
* Costs of introducing a new product or service, including costs of advertising and promotion
* Costs of conducting business in a new location or with a new class of customer, including costs of staff training
* Administration and other general overhead costs
* Costs incurred while an item capable of operating in the manner intended by the management has yet to be brought into use or is operated at less than full capacity
* Initial operating losses
* Costs of relocating or reorganizing part or all of the Company’s operations
  + 1. To allocate common costs associated with dissimilar multiple fixed assets acquired on a single purchase, the determination of the capitalized costs will include an apportionment based upon some applicable indicator of the relative values of the several assets involved (i.e. cost, size, capacity).
  1. **Acquisition and Capitalization**
     1. The capitalization thresholds for fixed assets are as follows:

|  |  |
| --- | --- |
| Expenditure | Minimum Capitalization Requirement |
| Land improvements | Minimum of P50,000 per expenditure |
| Building, Improvements and Repairs | Minimum of P100,000 per expenditure |
| Furniture, Fixtures and Other Equipment | Minimum cost of acquisition of P5,000 |
| Transportation equipment and repairs | All acquisition shall be capitalized |
| Vessel and other marine equipment | All acquisition shall be capitalized |

Aside from the minimum capitalization requirement, provisions in the recognition and measurement policies shall be considered. Moreover, the minimum capitalization amount may be revised upon management’s discretion.

* + 1. The Capital Expenditure Request Form (CERF) shall be used to request for the purchase of capital assets.
    2. The approving authority for the CERF shall be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Range** | **Authorized by** | **Verified by** | **Approved by** |
| P100,000 and below | Department Supervisor | Department Manager | Vice President |
| Above P100,000 | Department Manager | Vice President | SVP / President |

* + 1. In the absence of the Vice President / Senior VP / President due to out of town trips or leave of absences, an authorized personnel may approve/sign the CERF with prior written approval from the Vice President / Senior VP / President.
    2. Repairs and additions incurred for an item of PPE shall be capitalized if the repair/addition will:
* Increase the estimated useful life of the asset; or
* Significantly increase the capacity of the asset.

However, if the repair will only maintain the condition of the asset without increasing its useful life and capacity, such should be expensed outright.

* + 1. Necessary documentations shall be prepared as soon as possible to establish ownership and legal title on the purchased properties.
  1. **Depreciation**
     1. The entire cost of an item must be depreciated. Depreciation is allocated monthly over the estimated useful life of the property.
     2. Acquisitions during the month are depreciated on the following month. Fixed assets will be depreciated on a straight line basis over their estimated useful life unless a more appropriate method of depreciating the asset is necessary.
     3. Guidelines for estimated useful lives of properties are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fixed Asset Category | Estimated Useful Life | | | |
| Building | 10 | - | 20 | years |
| Vessel *(with 10% residual value)* |  |  | 10 | years |
| Intangible assets |  |  | 10 | years |
| Barge |  |  | 10 | years |
| Tugboat |  |  | 10 | years |
| Machineries and heavy equipment | 5 | - | 10 | years |
| Land improvements | 2 | - | 5 | years |
| Tools and equipment | 2 | - | 5 | years |
| Transportation equipment |  |  | 5 | years |
| Crane *(with 10% residual value)* |  |  | 5 | years |
| Furniture, fixtures and equipment | 2 | - | 3 | years |
| Drydocking cost |  |  | 2 | years |

*The above useful lives are not absolute and may be affected by changes in the business and technological environment or the use of the equipment.*

* + 1. Depreciation is computed under the straight-line method using the following formula:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Annual Depreciation | = |  | Cost – Residual Value |  |
|  |  |  | Useful Life (in years) |  |
|  |  |  |  |  |
| Monthly Depreciation | = |  | Annual Depreciation |  |
|  |  |  | 12 months |  |

Whenever the management believes that there will be a decrease in the value of the property due to several factors such as obsolescence, effect of new law, etc., an impairment loss shall be recognized.

* + 1. For inventory and monitoring purposes, fully depreciated fixed assets shall have a book value of one peso (P1.00).
  1. **Physical Control**
     1. A physical inventory of PPE shall be conducted at least once a year. Participants of the count include representative from the Accounting Department, Administrative Department and Audit. Participants will be notified of the count procedures and the dates of the physical count.
     2. Capital assets that are not accounted for during the physical inventory, if any, shall be investigated and reported to management.
     3. If a fixed asset is found without a tag indicating the fixed asset code during a physical inventory, this shall be investigated and reported to management – indicating the model, serial number and other descriptive data for the asset.
     4. Assignment of properties to Company employees shall be duly supported with an Accountability Form (AF). Employees shall be fully accountable for property lost or destroyed while in their custody if the loss is determined to be due to negligence and carelessness.
     5. No company properties shall be taken out of the company premises without prior approval from the Admin Department. Any asset removed from the Company premises, for any reasons, shall be covered by a duly approved AF. Return of the asset shall be duly noted in the AF.
  2. **Asset Records**
     1. Upon asset acquisition, the Admin Department is responsible for assigning and attaching fixed asset codes to the property before they are issued/used. The tag should be placed in a conspicuous and convenient location. These shall be replaced when damaged.
     2. Where the application of a tag is not possible or practical, the Admin Department shall have the option of using alternative methods of applying the assigned fixed asset code to the asset to account for the varying environments and usage. Land, buildings, and improvements (both constructed and purchased) generally will not be physically tagged. However, a fixed asset code will be assigned to such assets when placed in service.
     3. An individual folder for each capitalized asset should be maintained by the Admin Department. Such file shall include all documents associated with the requesting, canvassing, ordering, purchasing, receiving, registration, transfer, etc. of the equipment (i.e. CERF, CR, PO, RR, OR/CR for transportation equipment, etc.).
     4. A lapsing schedule shall be prepared and maintained by the Accounting Department which shall indicate the following:
* Fixed asset code
* Fixed asset category
* Asset description
* Date acquired
* Total cost
* Assigned department
* Useful Life
* Provision for depreciation
* Accumulated depreciation
* Net book value
  + 1. The lapsing schedule shall be reconciled with the control account in the general ledger at least once a month. Adjustments or corrections shall be made on either books only if the reason/cause had been properly determined and justified with prior approval of the Accounting Manager.
  1. **Transfer of Assets**
     1. Transfers of property shall be covered with duly approved AF. The current assignee of the property shall return the property by signing the AF used at the time of issuance. Simultaneously, the new assignee shall prepare a new AF to document the receipt of the transferred property. A property is considered transferred when there is a:
* Transfer of location without a change in accountability
* Transfer of location with a change in accountability
* A change in accountability without a change of location
  + 1. The transfer could either be interdepartmental, interproject, or intercompany. Intercompany transfers can either be temporary or permanent. If the transfer is temporary, the AF shall be used. But if the transfer is permanent, requiring the asset to be taken out of the Company’s books, the Asset Disposal Slip (ADS) shall be used.
    2. If the transfer requires the asset to be transported, a Gate Pass shall be prepared and presented to the security.
  1. **Disposal of Property**
     1. PPE may be disposed of or removed from service for the following reasons:

1. Retirement occurs when an asset wears out from long use and is discarded or sold as junk.
2. Destruction usually results when an asset is rendered useless because of flood, fire and other casualty
3. Exchange is commonly involved when an asset is replaced by a more efficient one
4. Sale occurs when an asset is sold
   * 1. Company-owned capital assets are to be retained as long as they continue to contribute in an efficient and economical manner to the Company’s operations. This may extend beyond the useful life used for depreciation purposes but only when the assets are disposed of will the property be written off/derecognized in the accounting records.
     2. All disposals of fixed assets must be approved by the President/VP prior to disposal. The asset’s tag number, serial number, description, cost, accumulated depreciation, reason for retirement/disposal will be communicated to the Accounting Department and the Admin Department using the Asset Disposal Slip (ADS). The custodian of the asset, countersigned by the Department Head, shall endorse its disposal and recommended by the appropriate repair personnel, then verified by the Admin Department and the Accounting Department.
     3. Upon approval of disposition, the asset may be disposed of in the following manner:

* Sold;
* Donated;
* Scrapped;
* Used in a trade-in transaction, if authorized
* Other manner that the Management may deem appropriate

Upon disposition of the asset, the Accounting Department will be notified and the asset will be deleted from the records and the appropriate gain/loss, if any, will be recognized.

* + 1. If a fully depreciated asset continues to be of use to the Company, the cost and the related accumulated depreciation should not be removed from the books.

1. PROCEDURES

| Acquisition of Fixed Assets | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Prepares the Capital Expenditure Request Form (CERF) in triplicate, signs the “Initiated by” portion of the CERF and forwards the same to the appropriate authorizing officer. | Requisitioner | Duly filled-out CERF |
| 2 | Receives CERF and authorizes acquisition of fixed asset by signing the “Authorized by” portion of the CERF. | *Refer to* ***section VII.C.3****, page 8* | Duly authorized CERF |
| 3 | Receives duly authorized CERF and forwards the same to the appropriate verifying officer. | Requisitioner | Duly authorized CERF |
| 4 | Verifies the CERF and returns duly signed “Verified by” to Requisitioner. | *Refer to* ***section VII.C.3****, page 8* | Duly verified CERF |
| 5 | Receives duly verified CERF and forwards copies to appropriate officer for approval. | Requisitioner | Duly verified CERF |
| 6 | Approves the CERF. | *Refer to* ***section VII.C.3****, page 8* | Duly approved CERF |
| 7 | Receives duly approved CERF forwards the copies of the CERF to the following:  CERF 1 – Admin Department  CERF 2 – Purchasing Department  CERF 3 – Requisitioner (file copy) | Requisitioner | Duly approved CERF |
| 8 | Receives duly approved CERF and proceed to process title *“Purchasing of Materials”*. | Purchasing Department | Duly approved CERF |
| 9 | Receives requested fixed asset(s) and inform Warehouse of receipt of asset(s). | Requisitioner |  |

| Disposal of Fixed Asset | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Prepares Asset Disposal Slip (ADS) in two (2) copies and signs the “Initiated by” portion. Forwards the same to the appropriate Engineering Personnel for checking. | Custodian | Duly filled-out ADS |
| 2 | Inspects the asset(s) for disposal. | Engineering Personnel | Duly filled-out ADS |
| 3 | Signs the “Checked by” portion of the ADS and returns the same to the Custodian. | Engineering Personnel | Duly checked ADS |
| 4 | Receives duly checked ADS and forwards copies to the Admin Department Manager for authorization. Returns the ADS to the Custodian. | Requisitioner | Duly checked ADS |
| 5 | Receives checked ADS and signs the “Authorized by” portion. | Issuing Department Manager | Duly authorized ADS |
| 6 | Receives duly authorized ADS and forwards to the approving officer. | Custodian | Duly authorized ADS |
| 7 | Approves the ADS. | Vice President / President | Duly approved ADS |
| 8 | Receives copy of ADS and forwards copy to Admin Department for disposal. | Custodian | Duly approved ADS |
| 9 | Receives copy of the ADS and facilitates disposal of asset(s). Files one copy of the ADS. | Issuing Department Manager | Duly approved ADS |
| 10 | Forwards the proceeds, if any, and the ADF together with supporting documents to the Cashier. | Issuing Department Manager |  |
| 11 | Receives proceeds from sale and issues copy of Acknowledgment Receipt (AR). *Refer to process title “Billing, Collection and Cash Handling”.* | Cashier | AR |

| Assignment of Fixed Assets | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Prepares the Accountability Form (AF) in two (2) copies and forwards the same to the Admin Department Manager for verification. | Requisitioner | Duly filled-out AF |
| 2 | Verifies AF and returns the same to the Requisitioner. | Issuing Department Manager | Duly verified AF |
| 3 | Receives duly verified AF and forwards the same to the Vice President (VP), Senior Vice President (SVP) or President for approval. | Requisitioner | Duly verified AF |
| 4 | Approves the AF. | VP / SVP / President | Duly approved AF |
| 5 | Receives duly approved AF and updates listing of fixed assets. | Issuing Department Staff | Duly approved AF |
| 6 | Receives requested item(s) and signs the “Received by” portion of the AF. | Requisitioner | Duly approved AF |
| 7 | Uses the issued item(s). | Requisitioner |  |
| 8 | Returns assigned item(s) to the Issuing Department. | Requisitioner |  |
| 9 | Receives the returned item(s) and updates the listing of fixed assets, | Issuing Department Staff |  |
| 10 | Fills out the date of the “Date Returned” portion and affixes signature beside the date. | Requisitioner | Duly approved AF |

1. FLOWCHARTS
   1. Acquisition of Fixed Assets



* 1. Disposal of Fixed Assets



* 1. Assignment of Fixed Assets



1. BUSINESS FORMS
   1. Capital Expenditure Request Form



No. of Copies/color - 3

Explanation - this form is prepared for capital expenditures requisitions

Initiated by - Requisitioner

Authorized by - *refer to* ***section VII.C.3****, page 8*

Verified by - *refer to* ***section VII.C.3****, page 8*

Approved by - *refer to* ***section VII.C.3****, page 8*

Distribution - CERF 1 - Admin Department (filing per department)

CERF 2 - Initially to Purchasing Department, then to Accounting Department (attached to check voucher)

CERF 3 - Requisitioner

* 1. Asset Disposal Slip



No. of Copies/color - 2

Explanation - this form is prepared for requests on the disposal of fixed assets

Initiated by - Custodian

Checked by - Appropriate Engineering Personnel

Verified by - Admin /Issuing Department Manager

Approved by - Vice President / SVP / President

Distribution - ADS 1 - Admin Department (filing per department)

ADS 2 - Initially to Admin Department, then to Finance Department (attached to acknowledgment receipt)

* 1. Accountability Form



No. of Copies/color - 2

Explanation - this form is used to document the issuance fixed assets to designated personnel and return of the same assets by the same personnel

Requested by - Requisitioner

Verified by - Admin/Issuing Department Manager

Approved by - Vice President / SVP / President

Received by - Requisitioner

Date Returned - Requisitioner

Item Received by - Receiving Personnel (Admin Department)

Distribution - ADS 1 - Admin Department (filing per department)

ADS 2 - Requisitioner’s copy

* 1. Lapsing Schedule



Explanation - this schedule contains the specific accounting data regarding fixed assets which shows the rate at which the book value of the fixed assets decline over time

Monitored by - Accounting Staff

1. EFFECTIVITY

This Policies and Procedures Manual shall take effect upon approval and shall supersede any memorandum/SOP inconsistent with this Policies and Procedures Manual. Any changes to the manual shall comply with the policies and procedures indicated in the process title *“Amendment of Manual”*.