




ASSET AND LOGISTICS PROCEDURES

APPROVING AUTHORITY

Title	Name	Signature & Stamp	Date
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Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

Table of Contents

Abbreviations / acronyms	2
1. Asset management	3
1.1. Overview	3
1.2. Purpose	3
1.3. Scope	3
1.4. Definitions	4
1.5. References	4
1.6. Associated documents	5
1.7. Main functions and duties	5
1.8. Procedural arrangements	6
1.8.1 acquisition of fixed assets	6
1.8.2 recognition of fixed assets and capitalization threshold	6
1.8.3. Maintenance of the fixed asset register (far)	6
1.8.4. Security and insurance of assets	7
1.8.5. Maintenance and repair of assets	7
1.8.6. Disposal of fixed assets	7
2. Inventory management	8
3. Logistics management	8
3.1 Transport requisition	8
3.2 Fleet management	9
4. Verification and reporting	9

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

ABBREVIATIONS / ACRONYMS

CBM: Chief Budget Manager

DAF: Director of Administration and Finance

FAR: Fixed assets register

ICT: Information and Communication Technology

PFM: Public Finance Manual

RMI: Rwanda Management Institute

APPROVED

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

1. ASSET MANAGEMENT

1.1. Overview

Asset management concerns the acquisition, distribution, maintenance and disposal of the following categories of assets:

- 1) Land
- 2) Buildings and structures
- 3) Infrastructure
- 4) Transport equipment
- 5) Office equipment, furniture and fittings
- 6) ICT Equipment, Software and other ICT Assets
- 7) Other Machinery and Equipment
- 8) Heritage and cultural assets
- 9) Intangible assets

1.2. Purpose

This procedure provides processes and protocols that support effective organizational asset management specifically focused on the movable, non-movable assets and other logistics materials

1.3. Scope

This procedure applies to the management records of the details of each asset, use, security, control, maintenance, disposal of all RMI owned and controlled assets at Headquarters, branches.

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

1.4. Definitions

- 1) **Asset:** An asset is a resource controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
- 2) **Asset register:** A record of public property containing the following information: date of acquisition, description, code, quantity, location, and cost for acquisition and disposal.
- 3) **Depreciation:** is the systematic allocation of the depreciable amount of an asset over its useful life.
- 4) **Depreciable amount:** The cost of an asset, or other amount substituted for cost, less its residual value.
- 5) **Disposal:** Selling, exchange, granting or destruction of property.
- 6) **Economic life:** The period over which an asset is expected to yield economic benefits or service potential to one or more users.
- 7) **Immovable assets:** Any noncurrent tangible assets (property) that cannot be moved from one place to another. This mainly refers to land, building and infrastructure.
- 8) **Movable property:** Noncurrent tangible assets that can be moved from one location to another.
- 9) **Useful life:** The period over which an asset is expected to be available for use by an entity.

1.5. References

The procedures for movable assets and immovable assets of Government are managed in compliance with the following laws, regulations, and procedures:

- 1) Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property
- 2) Ministerial Order N°001/16/10/TC of 26/01/2016 relating to financial regulations
- 3) Public Financial Manual, July 2019

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

1.6. Associated documents

The documents that are described or used in this procedure related to the the forms or template that are filled for the implementation of the activities in line with the management of assets and logistics such as requests for assets and logistics, transport requisition form, physical inventory count report, etc...

1.7. Main functions and duties

The asset management is the primary responsibilities of the Chief Budget Manager (CBM) who will ensure the following:

- 1) Items of public property are properly recorded in an asset register in a format prescribed by the Public Financial Manual (PFM) containing the date of acquisition, description, code, quantity, location, and cost for acquisition and disposals
- 2) Custodial responsibility for each asset acquired is assigned to the officer primarily responsible for its use and that there is a central record of the names of the custodians and the locations of the assets assigned to them;
- 3) Adequate maintenance of the assets including in annual budget submissions all estimated maintenance and running costs of such public property;
- 4) Periodic physical verification of public property against asset registers are quarterly conducted and its report attached in the financial report
- 5) Other items acquired but not required for immediate use or consumption shall form part of inventories for which proper records shall be maintained;
- 6) Retain information and records on all public property in accordance with rules on archiving of national records; and
- 7) Disposals of public property are carried out in accordance with applicable laws, regulations, policies and instructions.

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

1.8. Procedural arrangements

The following section describes the acquisition of fixed assets, the recognition of fixed assets and capitalization threshold, maintenance of the fixed assets register, security and insurance of assets, maintenance and repair of assets and disposal of fixed assets.

1.8.1 Acquisition of fixed assets

All acquisitions of fixed assets shall be in accordance with the approved budget and with RMI procurement procedure as well. An item shall only be acquired when funds are available. An asset acquired outside procurement procedure like donation or grant will be recognized according to the usual asset management procedure.

1.8.2 Recognition of fixed assets and capitalization threshold

For RMI, to recognize an item as an asset, it must meet the set capitalization threshold of Rwf 100,000. The fixed assets are used repeatedly or continuously for longer than one fiscal year.

1.8.3. Maintenance of the Fixed Asset Register (FAR)

A fixed assets register shall be maintained and shall be updated with all the relevant details of the fixed assets, additions assets and disposals regardless of the value of the assets in accordance with the Public Financial Manual, July 2019.

A fixed asset register shall contain the following fields:

- 1) Asset number
- 2) Asset description
- 3) Serial number if any
- 4) Date of purchase or acquisition
- 5) Reference number/code

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

- 6) Purchase or acquisition value
- 7) Condition of asset
- 8) Location of assets
- 9) Manufacturers' model & serial number if any
- 10) Depreciation value
- 11) Book value and
- 12) Financing/funding sources of the asset.

1.8.4. Security and insurance of assets

The Director of Administration and Finance (DAF) is responsible for ensuring that all assets are secured and uniquely engraved or tagged. All the assets of RMI shall be insured with reputable insurance companies. The original documents of titles for RMI assets shall be kept securely. No asset may be removed from its original location or the office premises of "owner" entity without specific written permission of the Chief Budget Manager. Internal transfer of assets shall be authorized by DAF.

1.8.5. Maintenance and repair of assets

The logistics officer is responsible for the repairs of all office furniture and equipment, IT officer for the maintenance and repairs of IT Equipment whenever necessary. For maintenance contract, all repairs and maintenance shall follow the maintenance and service arrangements contained in the contract between RMI and suppliers.

1.8.6. Disposal of fixed assets

The disposal of assets shall be done in accordance with the disposal procedures under the Procurement Manual of RMI and law regulating disposal of assets

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

2. INVENTORY MANAGEMENT

RMI, by nature of its business, shall have any inventory and will therefore maintain a stock of consumables and stationery items.

The logistics officer shall however maintain a register of all items that are purchased in bulk (e.g. stationery) for control purposes. This stationery may include but not limited to pens, box files, photocopying papers, notebooks, flipcharts, markers, toners, etc. The physical inventory shall be conducted by independent person on quarterly basis.

Obsolete or expired consumables shall be disposed off in accordance with the Disposal procedures under the Procurement Manual of RMI and law regulating disposal of assets.

3. LOGISTICS MANAGEMENT

This section concerns the requisition and provision of transport services, fleet management, approvals and responsibilities.

3.1 TRANSPORT REQUISITION

The logistics officer shall maintain a transport requisition form which will state the following information:

- 1) Requester's name
- 2) Name and number of passengers
- 3) Purpose of the trip
- 4) Destination
- 5) Requisition date
- 6) Date of departure
- 7) Date of return
- 8) Approval

The logistics Officer shall keep a register for all information concerning the vehicles used, trip

Title	ASSET AND LOGISTICS PROCEDURES	Revision 00
--------------	---------------------------------------	--------------------

and users.

3.2 FLEET MANAGEMENT

RMI shall maintain an efficient and affective transport management system that promotes its strategic objectives. All vehicles hired by RMI shall be managed in accordance to the procurement contracts.

All hired vehicles shall be driven by authorized personnel and shall meet all requirements of the Rwandan Laws. All hired vehicles shall operate under direct supervision of the logistic officer. A hired vehicle movement road map slip shall be maintained and completed by the driver after the trip and endorsed by the user of the vehicle. This shall be submitted to the logistics officer for review and approval.

4. VERIFICATION AND REPORTING

A physical verification of all assets shall be performed quarterly by the Logistics officer and reported to DG through the supervisor. The results shall be used to update the Fixed Assets Register. For ICT Equipment, IT Officer shall carry out quarterly physical verification of the IT equipment and submit a comprehensive report to DG through Director of ICT and E-learning. Any case of discrepancy shall be quarterly reported to DG through the respective supervisors who will initiate the investigation before taking appropriate action.