UNDP issued the [UNDP Guidelines for Engagement with NGOs under Country Based Pooled Funds](#) in late 2016 and rolled these out in 2017. This was part of an effort to harmonize implementation approaches with those of the OCHA Operational Handbook.

To complement the Guidelines, UNDP has developed MA Cheat Sheets to provide additional practical information on selected subject matters. There are 9 available Cheat Sheets on the following topics: MA Structure and Performance Review * Capacity Development * Results Logic and ATLAS Architecture * MA and ATLAS * HACT * Quality Assurance * NEX Advance * Asset Management * Fraud. These can be found [here](#)

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### Asset Management

Most projects that are managed by the MA procured assets. These assets need to be closely managed in line with UNDP rules and regulations where these apply to the MA function. The NGOs will utilize their own procurement rules and regulations guided by the *International Procurement Principles* compliance to ensure the following:

- Best value of money
- Fairness, integrity and transparency
- Defined thresholds stated (in either the NGO or UNDP guidelines)
- Waivers for competitive bidding for amounts above $30,000 must be duly justified (with the requisite justification and supporting documents).
- Assets are subject to audit verification at any monitoring of the CBPF project.
- The NGO shall assume management and assurance activities of the assets.

#### Recognition Criteria

To qualify as a UNDP asset all 5 of the following criteria ([link](#)) must be met:

- Provides future economic or service benefits to UNDP
- Is expected to be used during more than one reporting period, which is 12 months from the purchase date (not project start date)
- Has a value of US$1,500 or more.
- Internally Developed Software - $50,000.
- Externally Purchased Software - $5,000.
- LHI - $50,000 per project
- Is used and controlled by UNDP
- Has a cost that can be reliably determined.

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NGO’s to be considered separately as historically the ownership of assets purchased for them have been retained as UNDP assets as long as the project duration exceeds a period of 12 month. and assets match the above criteria. ([see annex 1](#))

### Project Closures

- Projects cannot be closed if assets are not disposed or transferred.
- Well in advance of the project closure, project management should identify asset disposal methods taking into consideration respective provisions of the project document, UNDP Policy as well as local circumstances.

### Asset Transfers

- Where the Project Document is silent on the actions to be taken on assets at the end of the project, Project management shall agree with the respective Donor/s, Advisory Board or counterparts on the assets disposal methods during or at the end of the project. In accordance with the established UNDP practice and business model, the preferred option would be for the management to recommend transferring assets to the Government or Implementing partners.

#### Transfers With/Without Resources:

- Transfers involving Development Projects should always be transferred with resources.

**Why?** - Because transferring without resources results in differences between GL and KK reports on the fund availability in both projects that causes significant issues when reporting to the Donors.

- **Reason** - The full cost of an asset is charged to a budget at the point of purchase so the available resources in KK reflect the whole cost incurred. If it is transferred without resources KK will still indicate no resources are available in the donating project but the Donor report will indicate resources are available. (Example below)

- **Alternative** - The preferred method is to have project assets handed over to the Government or Implementing Partners when possible and beneficial for achieving the goals of the project.

- If the Government would wish to donate the received project assets to be used by other UNDP managed projects, UNDP and the donor of the new project agree to this arrangement, a Donation from 3rd parties’ procedure shall be applied.

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Management of Assets

The main requirements of asset management are:

- Periodic verification of the existence of assets;
- Assessing assets for impairment;
- Internal controls and checks to ensure completeness and accuracy of records.

Relevant Policy Documents:

- For the UNDP rules and regulations on asset transfer see the Closure Chapter in POPP Page 2, paragraphs 7 – 11. Note that, according to paragraph 10, UNDP assets is not allowed to transfer assets to NGOs at the end of a project unless special dispensation is provided therefore. What can be done is to allow use of purchased assets in a subsequent project, this needs to be requested in writing by the relevant NGO partner. In case of the MA function, the office will only be able to transfer assets if a special request is provided by OCHA to UNDP in writing.
- For the UNDP rules and regulations on asset write-off see the Furniture and Equipment: Asset Disposal and Write-Off Chapter in POPP. More specifically, paragraphs 15-17.

Best practices and lessons learned with regards to Asset Management:

- Establish a tracking sheet for all assets bought, this will facilitate the need for non-undp assets verification, inventory management trend analysis and information sharing with relevant stakeholders.
- Plan for frequent asset verification missions, this should be part of the CO overall asset verification plan.
- Spot Check missions can also serve to verify assets.
- In case assets cannot be verified due to access issues, try to see which alternative methods can be applied or discuss this in the early stages with the Fund Manager and the Advisory Board. This should ideally be discussed in the review stages of the project. In exceptional cases if assets can’t be accessed, local users can forward photographic evidence of the asset details to the Physical verification committee.
- If an asset is not available for verification, then it should be included in the exclusion report of the assets verification exercise/certification
- In some cases, write off of assets will be necessary. Discuss this with the Fund Manager and develop a clear rationale to present to the Advisory Board for approval. A written record should be kept of this approval with clear reference of the assets concerned and the related projects and NGO partners. Make sure this disposal is done in line in line with UNDP rules and regulations.
- The MAU team should be well enough versed on UNDP asset management rules and regulations so that these can be clarified with the Fund Manager and the Advisory Board where relevant. Alternatively, a colleague from the Operations team in the CO responsible for asset management should be brought into the conversation.
- Non-UNDP assets don’t follow UNDP disposal policy and procedures.
Annex 1: UNDP Assets qualification

Purchased Item:
Confirm if it qualifies as an asset by checking the 5 criteria:

a) Provides future economic or service benefits to UNDP
b) Is expected to be used more than 12 months;
c) Has a value of US$1,500
d) Is used and controlled by UNDP;
e) Has a cost that can be reliably determined

If it meets the criteria, confirm if it is part of asset type A per the table.

If it meets the 5 criteria and qualifies as Asset Type A – Record it as a UNDP asset.
If not, the item is not a UNDP asset so should be expensed.

** This does not refer to Furniture and Equipment delivered to 3rd parties.