**Plant and Property: Disposal and Write-Off**

# Use of Legal Counsel

1. Given the legal complexities involved in the transfer of title documents for Plant, Land and Buildings, the first step in processing the disposal of the Plant, Land or Building is to engage the services of legal counsel in consultation with Legal Office (LO), Bureau for Management Services (BMS) for the necessary advice in the Disposal process.

# Sale and Method of Disposal

2. All funds received for disposal by sale of UNDP Plant, Land and Buildings should be by bankers check or by electronic funds transfer basis, on or before the transfer of title. Written exceptions to this rule, for items above the Delegated Procurement Authority (DPA), may be authorized by the CPO through the R/ACP when, in his/her view, it is in the interest of UNDP.

# Competitive Bidding and Method of Disposal

3. The Plant, Land or Building should be disposed of by open competitive bidding. The main purpose of competitive bidding is to ensure UNDP obtains value for money for its disposals. To establish the reserve prices for competitive bidding, independent valuations may be sought from reputable subject experts. In line with UNDP procurement processes, a potential buyer who is involved in the valuation is not permitted to participate and/or bid in the subsequent competitive bidding process.

# Authority to Dispose of Assets

4. Resident Representatives, Heads of Out-Posted Units and the Chief of General Operations/BMS have been delegated the authority to directly dispose all items which are surplus to requirements or unserviceable through obsolescence or normal wear and tear. An asset becomes obsolete when it is out of date either due to more advanced technology or is no longer in use. In all cases, for the disposal of all assets the fair market value (FMV) must be determined. This value (not the NBV or original purchase value) will determine the subsequent disposal process and approval authority. The disposal of an item with a fair market value of more than $ 5,000, requires review by the respective Contracts, Assets and Procurement Committee (CAP), Regional Advisory Committee on Procurement (RACP) or Advisory Committee on Procurement (ACP). Refer to the POPP Asset Disposal and Write-off.

# Gain /Loss on Disposal of Assets

5. Once Plant or Buildings are disposed of, the remaining undepreciated balance is netted off against the cost to determine the net book value (NBV). The difference between the sale proceeds and the NBV is treated as a gain/loss on disposal. The Quantum Asset Management System automatically calculates this gain or loss and charges or credits the gain or loss to the Gain/Loss of Disposal GL account using the Chart of Accounts associated with the asset. This ensures that each project or donor receives the full value of the asset even at disposal. The CO or HQ business unit should file all final transaction documents pertaining to a disposal or write-off including details of the final gain or loss posted to the project.

**Detailed Procedures on the Methods of Disposals, Write Offs and the Respective Thresholds,**

Consult the POPP [Asset Disposal and Write-off](https://intranet.undp.org/global/popp/asm/Pages/asset-disposal-and-write-off.aspx) Section

# Roles and Responsibilities

| **Responsible Party** | **Responsibilities** |
| --- | --- |
| RR  Head of HQ Unit  Head of HQ Out-Posted units | * Maintaining complete and accurate records of Plant, Land and Buildings purchased by their offices; * Consulting the CAP regarding disposal of items costing over $5,000 and up to DPA, the RACP for items above DPA and up to US$1 million and the ACP for items costing over US$1 million * Submitting the bi-annual/or annual physical verification exercise certification documents to General Operations/BMS by the due date |
| Asset Focal Point Operations Manager | * Submitting requests to GSSC through UNall for all asset transaction except location and custody changes and imputing asset information. * Ensuring all asset information and details in QUANTUM asset module is accurate * Providing schedules and information for the physical verification exercise |
| General Operations/BMS | * Consulting the CAP on disposals of assets items valued >$5,000 and below DPA and ACP for disposal of assets over DPA for HQ; * Maintaining timely and accurate records of Property and Plant UNDP HQ; * Consolidating UNDP PP&E reports for determination of the non-expendable asset figure in the financial statements * Coordinating NYHQ bi-annual/or annual physical verification exercise for non-expendable assets * Reviewing and consolidating bi-annual/or annual country office physical verification certifications * Preparing Policies and procedures for asset management |
| CAP/RACP/ACP | * Reviewing and recommending actions for disposals of UNDP PP&E. |
| CPO | * Overall responsibility for UNDP PP&E.  This function is delegated to RRs, Heads of Out-Posted HQ units and the Chief of General Operations/BMS for HQ units |
| GSSC | * Please refer to the POPP Equipment Depreciation, Reconciliations, Reports and Centralized Functions section for the detailed GSSC roles * Processing Basic Add, Adjustment, Impairment, Re-categorization, transfers, disposal and write-off transactions in Quantum |

# Templates and Forms

**Headquarters:**

* [Request for Asset Sale, Disposal Form (RAD) under USD 5000 - HQ](https://popp.undp.org/node/4716)
* [Request for Asset Sale, Disposal Form (RAD) USD 5000 & above - HQ](https://popp.undp.org/node/4701)
* [Request for Non-Asset Disposal Form - HQ](https://popp.undp.org/node/5006" \t "_blank)
* [PC Sale Form - HQ](https://popp.undp.org/node/5001" \t "_blank)
* [Request for Asset Relocation Form - HQ](https://popp.undp.org/node/4401" \t "_blank)
* [Request for Asset Transfer-In/Transfer-Out Form - HQ](https://popp.undp.org/node/5016" \t "_blank)
* [Request for Asset Adjustment Approval Form - HQ](https://popp.undp.org/node/5011" \t "_blank)

**Country Offices:**

* [Request for Asset Sale, Disposal Form (RAD) under USD 5000 - Country Office](https://popp.undp.org/node/4706)
* [Request for Asset Sale, Disposal Form (RAD) USD 5000 & above - Country Office](https://popp.undp.org/node/4711)
* [Request for Asset Transfer-In/Transfer-Out Form - Country Office](https://popp.undp.org/node/3436" \t "_blank)
* [Request for Asset Adjustment Approval Form - Country Office](https://popp.undp.org/node/5036" \t "_blank)