**Furniture and Equipment: Asset Disposal and Write-Off**

# Types of Disposals

1. All disposals will be initiated by the CO/HQ by the Asset Focal Point using the disposal form in UNall. These will typically occur under the following scenarios:

# a) Disposal by Sale

External sale to a third party at fair market value. This may have an impact on gain/loss on sale in the books of the selling party. However the gain or loss will not have any budget implications though a valid COA will be required to process the transaction in Quantum AM. The difference between the cash received and remaining NBV will be a loss or gain to the COA against which the asset is registered (at the GL level).

**b) Transfers/Donations** within UNDP and to Implementing partners/other entities.

Donations relate to assets transferred with no expectation of funds being received. These could be assets transferred between two projects within UNDP or transferred to an implementing partner or other entity. Should the donated asset have a NBV then the remaining NBV will be absorbed by the transferring out project as a transfer expense on disposal by donation.

# c) Write Off

Write offs will occur due to the following:

i) Assets being obsolete or non-functional;

ii) Assets damaged unintentionally;

iii) or Assets damaged intentionally (negligence)

iv) Assets which are lost or stolen

For disposal by negligence, loss or theft, the amount authorized for waiver of investigation, reporting and write-off is NBV of $1,000; otherwise all write-offs require investigation by security and the documented statement from security attached to the RAD form before submitting to GSSU.

# d) Trade In

Assets can be traded in for another asset of equivalent or different value.

All the transactions set out above will be recorded by GSSC at the request of the respective UNDP offices, through a request using the disposal request form via UNall.

# Disposal by Sale - Competitive Bidding

1. With the exception of vehicles and heavy machinery (see section 1.4 below), if the NBV of an asset is $ 5,000 or above, the item should be disposed of by competitive bidding. *International staff members are always excluded from bidding*. The main purpose of competitive bidding is to ensure UNDP obtains value for money for its asset disposals. In establishing reserve prices for competitive bidding, various low cost independent valuations may be sought, e.g. AA or AAA valuations for vehicles; e-bay value for year and model for IT and electrical; local newspapers etc. to help determine the market value.

1. All sales of UNDP Furniture and Equipment should be on a cash, check or money order basis, paid on or before delivery. Regardless of the payment method, the receipt of payment for all sales of UNDP Furniture and Equipment must occur prior to release of the assets.

# Disposal by Sale - Exemption to Bidding

1. With the exception of vehicles and heavy machinery (see section 23.5 below), if the NBV of an item is less than $ 5,000, the Resident Representative, Head of Out-Posted HQ Unit and the Head of HQ Unit may authorize disposal action without competitive bidding. However, every effort must be made to allow for competitive bidding whenever possible. Exceptions must be well documented.

1. Disposal without competitive bidding of an item with a NBV above $ 5,000 requires review by CAP/RACP/ACP based on the committee thresholds.

1. Exemptions to competitive bidding could be under the following conditions:

* 1. There is genuine exigency for the sale due to prevailing circumstances;
  2. A formal competitive process has not produced satisfactory results within a reasonable period;
  3. Sale to another UN agency as a result of cooperation under the United Nations system;
  4. The Chief Procurement Officer otherwise determines that a formal solicitation will not give satisfactory results.

# Transfers/Donations

1. Internal Transfer within UNDP will be at NBV. All internal transfers will be accompanied by an equal transfer of resources equivalent to the NBV. Under exceptional transfers where a central unit or a regional office was purchasing items for a group of offices and cost recovery has already been charged or purchases were made from a central budget for the initiative, the “transfer with no resource allocation” form should be used. Assets that are transferred at NBV >0, will result in an increase in available funds () to the transferring party equivalent to the NBV and a decrease in available funds () to the receiving party of the same amount. All entries relating to transfers including transfer of resources will be processed by the GSSC. Internal transfer does not require review by CAP, RACP or ACP.

Taking into account the nature of the UNDP operations, the preferred method is for project assets to be handed over to the Government or Implementing Partners at the end or during the project when beneficial for achieving the goals of the project and UNDP has the agreement of the Donor/s of the project (usually stated in the project document). Such assets will be disposed from QUANTUM following UNDP policy on disposal.

If subsequently the Government or Implementing Partner would wish to donate the received project assets to be used by another UNDP managed project, UNDP and the donor of the new project agree to this arrangement, a Donation from 3rd parties’ procedure shall be applied and followed:

* A letter of Donation shall be obtained from the Government;
* A Fair Market Value for the donated assets shall be established by Country office;
* Donated assets shall be recorded as In-kind contribution from the Government if it meets the asset recognition criteria.

Alternatively, where the Government would want to provide assets to UNDP for temporary use by another UNDP managed project, such assets should be considered as “on-loan” arrangement and shall not be recognized as UNDP assets.

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 and Government 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/Implementing partners.

1. Where development project assets are being handed over (transferred) to the government or other implementing agency or project beneficiaries in line with the project document or agreement, there is no need for CAP, RACP or ACP review as they are in accordance with the process already agreed upon by all implementing partners. In such instances the agreement should be attached to RAD document (if bulky the relevant section and signature page) and submitted to GSSC as the backup documentation.

1. Assets (that do not come under the above transfer category) can be also disposed of through donation. This however requires review by CAP/RACP/ACP based on the thresholds.

1. An example could be that a number of laptops have been requested for donation. The following process should be followed:

* 1. A letter of request from the receiving organization on letterhead paper should be obtained;
  2. Obtain approval from the relevant procurement committees depending on the NBV threshold;
  3. Sanitize the laptops of UNDP data, and ensure they are working properly
  4. Deliver the laptops or have them picked up by the receiving organization; and
  5. Retire the laptops in Quantum.

# Disposal for Vehicles and Heavy Machinery

1. In all cases for the disposal of vehicles and heavy machinery, the fair market value (FMV) must be determined. This fair market value (not the NBV) will determine the necessary approval authority by procurement committees (CAP/RACP/ACP) and subsequent disposal process. Fair market values can be determined through dealers, newspapers, open market information available on the internet or other documentable sources relevant to the local context.

# Recording of Disposals in Quantum

1. Once an item of Furniture and Equipment has reached the useful lifespan, it can be disposed of and replaced. If, however, an asset is still needed in the office, the office can retain the item and should continue to maintain its records in Quantum. After an asset has reached its useful lifespan it can be physically disposed of, sold to staff, or donated to an organization. Once the asset has been physically removed from the premises, it should be immediately retired in Quantum by submitting the appropriate forms to the GSSC. It is important that the asset be physically removed first from premises before retirement from the system to avoid counting of disposed assets during the physical verification exercise. This may cause reconciliation challenges during the physical verification exercise as one would find an item that is retired in the system on the floor.

# Donation

1. Assets can be disposed of through donations. An example could be that a number of laptops have been requested for donation. The following process should be followed:

1. A letter of request from the receiving organization on letterhead paper should be obtained;
2. Obtain approval from the relevant procurement committees depending on the NBV threshold;
3. Sanitize the laptops of UNDP data, and ensure they are working properly
4. Deliver the laptops or have them picked up by the receiving organization; and
5. Retire the laptops in Quantum.

**Write-off**

# Investigation and reporting to the UN board of auditors

1. In accordance with the Financial Regulations and Rules (FRR), the Administrator may, after full investigation, authorize the writing off of losses of assets.

1. Any loss of assets shall be reported to the Assistant Administrator, Bureau for Management Services, who may, after full investigation, authorize the writing off of assets deemed to be irrecoverable, except that proposals to write off amounts in excess of $100,000 shall be submitted to the Administrator for approval.

1. An investigation shall determine the cause of the loss of assets, including the responsibility of the staff members or others. Such staff members or others may be required to reimburse the loss either partially or in full. The final determination as to all recoveries to be made against staff members or others as the result of losses will be made by the Assistant Administrator, Bureau for Management Services.

1. The amount authorized for waiver of investigation, reporting and write-off is $1,000.

Extract from FRR is referenced below:

FRR Rule 124.02:

The Assistant Administrator, Bureau of Management, shall establish review committees for Headquarters and other locations, to render written advice to him or her in respect to loss, damage or other discrepancy in relation to the property, plant and equipment of UNDP. The Assistant Administrator, Bureau of Management, may delegate responsibility under this rule as may be appropriate in fulfilling the purposes of this rule. He or she shall establish the composition and terms of reference of such boards, which shall include procedures for determining the cause of such loss, damage or other discrepancy, the disposal action and the degree of responsibility, if any, attaching to any official of UNDP or other party, for such loss, damage or other discrepancy. The Assistant Administrator, Bureau of Management, shall be responsible for the disposal of property, plant and equipment by means other than sale and shall issue administrative instructions for such disposal actions.

Rule 126.17:

Loss of cash, receivables and property, plant equipment and other assets.

1. Any loss of assets shall be reported to the Assistant Administrator, Bureau of Management, who may, after full investigation, authorize the writing off of assets deemed to be irrecoverable, except that proposals to write off amounts in excess of $100,000 shall be submitted to the Administrator for approval.
2. An investigation shall determine the cause of the loss of assets, including the responsibility of the staff members or others. Such staff members or others may be required to reimburse the loss either partially or in full. The final determination as to all recoveries to be made against staff members or others as the result of losses will be made by the Assistant Administrator, Bureau of Management.

c) The amount authorized for waiver of investigation, reporting and write-off is $1,000.

# Delegation of authority to write off

1. The CPO has delegated to Resident Representatives, Heads of Out-Posted HQ Units and HQ Unit Heads the authority to write off and to assign personal liability for assets and custodial items as follows:

* 1. Assets with a Net Book Value of up to $ 5,000 that are obsolete or non-functional
  2. Assets Damaged Unintentionally – Up to a NBV of up to $ 5,000
  3. Assets Damaged Intentionally (Negligence)- Up to a NBV of $ 1,000
  4. Assets which are lost or stolen- up to a NBV of $ 1,000

1. For the relevant procurement committee approvals, refer to the procurement POPP and table below.

# Authority to Dispose of Assets

1. Resident Representatives, Heads of Out-Posted Units and the HQ Unit Heads have been delegated the authority to directly dispose of all items that are surplus to requirements or are unserviceable because of obsolescence or normal wear and tear. The disposal of an item with a NBV 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) based on the respective approval authorities.
2. For HQ Units, the submission of the RAD form to General Operations/BMS for the physical and system disposal should be after approval by the Head of Unit, CAP and ACP approval based on the respective approval authorities.
3. The following sequence should be followed for disposals with NBV of more than US$5,000.

* 1. Fill the RAD form and submit it to RR or anyone delegated to approve the intent for Disposal and commence the process.
  2. Undertake the process related to the Method of Disposal – e.g. competitive bidding process in case of Sale, insurance, investigation and other surveys and reports as may be required in case of write-off, offers in case of trade in etc.
  3. Submit to CAP/RACP/ACP as required based on thresholds for review of disposal process and recommendation/approval.
  4. Finalize the disposal as per the recommendation and approval.
  5. Submit disposal request to GSSC via UNall to remove the asset from ISR

1. CAP/RACP/ACP should only review the disposal process methodology (whether by sale, write-off etc.) to determine that it is transparent, fair, represents Value For Money and is in accordance with POPP and is not to be used at the beginning of the process just to have the RAD form signed by the RR. The initial decision by the RR to commence the disposal process should be based on POPP policy on replacement useful life or other stated criteria and is not a procurement review committee milestone.
2. In line with delegation of authority to write off (refer to para 15-16 above), write-offs of PP&E due to loss or negligence of any amount above NBV $1,000 requires approval by the Assistant Administrator, Bureau of Management, and any amount above NBV 100,000 requires approval of Administrator. Please use the [form “write off for amounts higher than NBV 1,000”](https://popp.undp.org/node/4416) such write-offs.
3. Where the following cases lead to the disposal, write-off or transfer of goods and/or property, refer to the table below for the approval limits for disposal by the respective procurement committees.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Level 1:** Contracts, Assets and Procurement Committee | **Level 2:** Regional Advisory Committee on Procurement  *(country offices only)* | **Level 3:** Advisory Committee on Procurement |
| Disposal of assets through sale, donation or trade-in or through destruction of obsolete or non-functional assets with a value: | Above US $5,000 per item and up to the delegated procurement authority – Direct Review by CAP Chairperson | Above the delegated procurement authority and up to US $2 Million | **HQ units:** above the delegated procurement authority  **Country offices:** above US $2 million |
| Disposal through write-off of damaged, lost or stolen assets with a value: |  | Above US $5,000 per item for write-off of assets damaged unintentionally  and above $1,000 per item for all other types of write-off and up to US $100,000 and any write-off due to loss or theft or damage of a UNDP asset in the custody of the Resident Representative regardless of the asset value | **HQ units:** Above US $5,000 per item for assets damaged unintentionally  and above $1,000 per item for all other types of write-off and any write-off due to loss or theft or damage of a UNDP asset in the custody of the Resident Representative regardless of the asset value  **Country offices:** above $100,000 |
| Notes: | * 1. The asset values are based on net book value (NBV) except for vehicles and heavy machineries, where fair market value (FMV) applies.   2. Write-offs due to asset discrepancies do not require a Committee Review.   3. Write-offs in excess of US $100,000 require approval by the Administrator in accordance with FRR 126.17.   4. See [Asset Disposal Policy](https://popp.undp.org/node/10676) for details. | | |

# Gain/ Loss on Disposal of Assets

1. Once an asset is disposed of, the remaining un-depreciated balance is netted off against the cost to establish the 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 on 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.
2. The proceeds from the sale of the asset shall be credited as proceeds from disposal to the source of funds originally charged with the purchase thereof, except:

* 1. Where a procurement committee has recommended the application of these proceeds directly against the purchase price of replacement equipment or supplies, any excess shall be taken into account as miscellaneous income;

* 1. When the trade-in value of the asset is not considered to be a sale, the trade-in value shall be applied against the cost of the replacement property;

* 1. Where normal practice is to secure and use certain material or equipment in connection with a contract and to salvage and sell such material or equipment at a later stage these proceeds may be credited to the account from which they were procured, provided that the COA is still valid; where the original project has been closed (which should not happen as all assets are to be disposed before a project is closed), then the office should make a determination on where to credit the proceeds

# Write-Off for Lost/Stolen Items due to negligence

1. When a fixed asset is written off in UNDP due to negligence, the approval to be followed should be in line with the delegation of authority to write off (refer to para 15-16 above).
2. The degree of financial recovery should be assigned between 30 and 100 per cent, after assessing the staff member’s relative fault and degree of ordinary negligence, gross negligence and intent as well as any mitigating or aggravating circumstances. Please note that if there is no negligence, then the financial recovery should be zero and approvals should be in line with the delegation of authority to write off (refer to para 15-16 above).
3. **Ordinary Negligence** is defined as the omission to do something that a reasonable person, guided by ordinary considerations, would do; or the doing of something that a reasonable or prudent person would not do. A major factor in determining if a given omission or act is unreasonable is whether the expected cost of the conduct was greater than any expected benefit. 30-50percentage recovery should be assigned to negligent acts.
4. **Gross Negligence** is defined as the failure to perform a manifest duty in reckless disregard of the consequences as affecting the life or property of another: such as gross want of care and regard for the rights of other as to justify the presumption of willfulness or wantonness. In cases of gross negligence, the party is aware of the unreasonable risk and consciously disregards it. 50 - 100 percentage recovery should be assigned to acts of gross negligence.
5. An **Intentional Act** is defined as a knowing and deliberate infliction of harm or loss to UNDP property. 100 percentage recovery should be assigned to intentional acts.

# Loss or Theft of a UNDP Asset in the Custody of a Resident Representative, Head of Out-Posted HQ Unit or the HQ Unit Head

1. Any loss and/or theft of a UNDP asset involving the Resident Representative, Head of Out-Posted HQ Unit or the HQ Unit Head must always be submitted to RACP (ACP for HQ unit Heads), regardless of the value of the lost asset. This is because the RACP/ACP are independent from the RR or HQ unit head.

# Personal Liability

1. The total dollar value of personal liability will be determined by multiplying the assessed percentage of financial recovery (30-100 percent) by the total dollar value of the cost of repair or, in the case of loss, by the replacement value of the lost item.
2. For *locally recruited staff*, personal liability will not exceed:
   * 1. One month’s salary in the case of ordinary negligence
     2. Three months’ salary in the case of gross negligence

Payments can be made in monthly instalments

1. For *international staff*, there is no limit on personal liability.

1. For all cases of intentional loss or theft, there will be no limit on personal liability and separate disciplinary action will be pursued.

1. Each Business Unit will submit to the ACP those cases where gross negligence is determined to be the cause of the theft or loss. The ACP shall submit its findings for review and advice to the Chief Procurement Officer.

# Special Procedures for Computers and Computer Equipment

1. The preferred method of disposal for all computing equipment is by sale to staff members at a competitive price that is comparable to the market rate. *International staff* members are always excluded from bidding. The e-bay best value for the specific model and year of computer is a good indicator for market rates where no other method is available locally. Any unsold PCs will be available for donation to NGO’s or other non-profit accredited organizations.

# Disposal of Personal Computers

1. Staff members are allowed to purchase obsolete personal computers (PCs) and PCs which are surplus to a Division’s requirements In accordance with the following guidelines (*International staff* members are always excluded from bidding.).

*Disposal and/or Sale of PCs at* ***Headquarters***

* 1. The Head of each HQ unit is responsible for the actual sales and disposal of equipment. Each unit Information management Associate (IMA) has the authority to certify PC and other computing equipment obsolescence. The Head of each HQ Unit is responsible for approval of the disposal form for each item (in line with relevant procurement committee approvals).

* 1. The Information Management Associate (IMA) is responsible for preparation of the computer for disposal (see the OIMT Computer Disposal guide for **sanitation** requirements); for the preparation of the assets disposal forms; and for the sale of the PCs.

*Disposal and/or Sale of PCs in* ***Country Offices***

* 1. The CO IMA should prepare a list of all PCs to be sold with the serial numbers.
  2. The CO IMA is responsible for the disposal preparation (see the OIST Computer Disposal guide for **sanitation** requirements); for the preparation of the assets disposal forms; and for the sale of the PCs.
  3. The sale can be commenced as follows:
     1. The IMA removes all data and programs from hard disks and installs the current version of the OS (or legacy version within two release cycles) on all computers to be sold;
     2. The number of interested buyers shall be tallied. Staff members and ALDs are entitled to purchase the disposed PCs. A manager can decide whether or not Individual Contractors (ICs) are eligible to purchase used PCs.
     3. A lottery is recommended if the number of buyers exceeds the number of machines available for sale.
     4. The purchaser must provide a check, payable to UNDP, for the amount indicated as the selling price. All checks should be photocopied and secured by the manager.
     5. Completed sales forms and the corresponding checks should be submitted to the Resident Representative, Head of Out-Posted HQ Unit or the HQ Unit Head for the preparation of the building passes to remove computers from UNDP premises.
  4. The Resident Representative, Head of Out-Posted HQ Unit or the HQ Unit Head will submit all checks to Finance Unit or Treasury for deposit.

*Disposal of Unsold PCs:*

* 1. The IMA shall inform the Operations Manager (for COs) or General Operations/BMS who will collect unsold PCs.
  2. The IMA will provide the Operations Manager or General Operations/BMS with a copy of the signed RAD form and a copy of the Unit’s assets log to identify the items to be removed.
  3. The Operations Manager or General Operations/BMS will check that the items to be disposed of are in the QUANTUM Reports database.
  4. The Operations Manager or General Operations/BMS will arrange for disposal of the PCs.

*Disposal of Irreparable PCs*

The technical clearance from the CO or HQ unit IMA is mandatory.

*Donation of Computers/Laptop:*

Pre-requisites:

* 1. The NGO or other non-profit accredited organization interested in receiving the equipment should transmit a letter on letterhead paper that requests UNDP to donate its retired computers/laptops.
  2. The computers/laptops should be directly delivered to the receiving organization; or the receiving organization should itself collect the donated items.
  3. The retirement of the units should be recorded in Quantum.

**Recommendation and Approval from ACP in Line** [**with Procurement Approval Authority:**](https://intranet.undp.org/global/popp/cap/Pages/Submissions-Direct-Review-and-Post-Facto.aspx)

1. For HQ Units, the CAP approved RAD form shall be submitted to the Unit Operations Manager to transmit the request to GSSC for processing. The HQ Unit will submit the request to the GSSC through the disposal form in UNall for disposal action in QUANTUM; and inform the IMA/Unit concerned that the asset has been disposed of or transferred. (The original RAD form will be filed in the unit and a copy in PDF format will be sent as an e-mail attachment to the Asset Team and the IMA/Unit asset focal point.)
2. Should the HQ unit require General Operations/BMS to pick up the items for green disposal, a copy of the approved RAD with applicable procurement committee approvals should be provided.

# Bidding Process for Disposals

If disposal action is approved and requires bidding, the procedure that is recommended is as follows:

1. Advertisements should be placed on the Office’s public website and in at least two local newspapers at locations where several newspapers are issued, offering the items for sale and requesting sealed bids to be submitted by a prescribed date;

1. The advertisement should carry a description of the item; should state that the equipment is to be bid and sold on an “as is – where is” basis; and that the UNDP office reserves the right to reject any and all bids;

1. The advertisement should contain a reminder that the successful bidder must satisfy the government as to any import or sales tax due on the item; and that payment for the item must be made in cash before delivery;

1. The sealed bids will be recorded as to the date and time of their receipt;

1. No bids will be accepted after the closing time specified;

1. The bids will be opened in the presence of at least two staff members designated by the Resident Representative/HQ Unit Head and the bidders (if they so wish);

1. The presence of bidders is not a pre-requisite for the validity of the award. The names of the bidders and the bid amounts will be listed; and the award made to the highest bidder;

1. If two or more bids are of equal value and if the winning bid cannot be drawn by lot for a lack of written agreement or revision thereto by the bidders, the bids will be rejected and the sale re-advertised. (All equal bidders should be given the opportunity for revision transparently before rejecting the process.)

1. If no bids are received or the bids are too low in relation to the market value of the item, then the CO need not re-advertise. The Resident Representative/HQ unit Head may negotiate the sale with interested buyers and accept the highest offer without referring the matter to the CAP for review;

1. Locally recruited staff members of the United Nations system of organizations may be permitted to participate in the competitive bidding exercise and to buy, for their personal use, the item being disposed of, on equal terms with other bidders;

## l) International staff members are always excluded from bidding;

1. If a successful bidder does not honour his/her bid within one week following the opening and it has been determined that he/she wishes to withdraw the bid, the second highest bid is to be accepted. (The CO may request reasonable bid security if considers appropriate or necessary.);

1. In countries where existing government regulations require the sale to the government of items imported into the country free of duty, the above procedure is not applicable. However, the CO should strictly observe the current government regulations on this subject;

1. In countries where the sale of imported goods is forbidden by law, consideration should only be given to offers received from individuals or entities entitled to duty free purchases.

# Furniture Disposals

1. HQ Divisions should email General Operations/BMS to request removal of the obsolete furniture items to storage. No form is required to be completed since furniture is not yet tagged individually (except for furniture items with a value of US$5,000 or more). COs and HQ out-posted units may design internal procedures for the physical disposal of obsolete furniture while ensuring proper documentation is kept on file for the disposals. Furniture recommended replacement lifespan is normally 8 years and may be replaced every 8 years, unless still in good condition. For accounting purposes, Furniture is depreciated in the system over 15 years. Furniture with a value of $ 5,000 and above is considered an asset and must be tagged. The Transfer in-out Form is required for transfers and the Request for Asset Disposal (RAD) form is required for disposal.

# Damaged, Lost, or Missing Furniture and Equipment

1. Investigation is normally carried out by Security Office, UNDP or UN Department of Safety and Security (DSS) security staff. The Security Office, UNDP or UNDSS will conduct interviews with the Department concerned and will provide a report of its findings to the HQ Unit Head or the Resident Representative. Please refer to the section on disposal and write off.

# Vehicles

1. Resident Representatives, Heads of Out-Posted HQ Units and the Chief of General Operations/BMS are authorized to dispose of vehicles that have clocked 100,000 kilometres (or 62,000 miles) or are five (5) years old from the date of purchase (whichever comes first). Take note that for accounting purposes vehicles are depreciated over 12 years, but for replacement purposes should be assessed for disposal after 100,000 kilometres (or 62,000 miles) or five (5) years (whichever comes first).This provision, however, is not a blank approval for disposal of vehicle based on its mileage. The office must review underlying individual factors, for example in cases where a vehicle is not serviceable due to lack of parts or incurs very expensive repairs, or represents a high accident risk, whereby a decision may be made to replace the vehicle at or before the recommended replacement life. Documented justification is needed for this decision and full disclosure of the case and reasoning for vehicle disposal shall be provided in the RAD disposal form. Where the vehicle is still in good condition, the office may decide to retain the vehicle for additional time before disposal. This is a decision to be made by the Resident Representative, Head of out-posted HQ Unit or the HQ Unit Head for the respective offices.

# Heavy Machinery & other Equipment

1. These include generators, air conditioners and similar items of heavy equipment. The recommended replacement lifespan is normally 10 years. Take note that for accounting purposes this class of assets are depreciated over 20 years, but assessment for replacement life should start after 10 years. Depending on the fair market value (per para 1.6) of the disposed item, the appropriate approval for disposal must be sought from the CAP, the RACP and the ACP.

**Roles and Responsibilities**

Refer to Furniture and Equipment Acquisition and Maintenance section

# Templates and Forms

UNDP Assets In-Service Report (in Quantum)

UNDP summary report (In Quantum)

UNDP acquisition detail report (In Quantum)

UNDP disposal detail report (In Quantum)

UNDP adjustment detail report (In Quantum)

UNDP Transfer detail report (In Quantum)

**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)
* [Transfer of Title of Assets from UNDP to the Government - Country Office](https://popp.undp.org/node/4726)
* [Write-Off NBV USD1000 above Form – Country Office-HQ](https://popp.undp.org/node/4416)