



Property Management Manual: Policies and Procedures for CARE USA Country Offices

Chapter 15 - Finance & Administration Manual Effective: February 1, 2010

The policies and procedures outlined in this manual apply to all CARE USA Country Offices. It is the responsibility of employees involved in property management to follow the policies and procedures herein. This policy is recommended for adoption by other CARE International members as applicable to their operations. However, in certain cases, CARE USA may require other CARE International members to comply to meet relevant donor regulations.

**Property Management Manual:
Policies and Procedures for CARE USA Country Offices**
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15.0.0 Purpose of the Property Management Manual

The purpose of this manual is to provide adequate controls for CARE's property and equipment, and to provide operational direction for staff responsible for property management.

It defines the policies and procedures which CARE USA has established to guide Country Offices in the management of nonexpendable property (herein referred to as "property") to ensure compliance, consistency and transparency throughout the property management process.

Outlined in this manual are standardized property management policy and procedures for global application for the acquisition, use and disposal of property. While it is recognized that individual Country Offices may need to develop localized manuals which provide more detailed guidance to staff on procedures, the Deputy Regional Director of Program Support (DRD-PS) for the region, will approve local procedure supplements or guidance to ensure that they do not conflict with the basic policies and procedures in this manual. If, after consultation with the Regional Management Unit (RMU) and Technical Advisor – Inventory Management, the DRD-PS approves any deviations from these procedures, approval must be documented and retained in the local CARE office and communicated to CARE USA Headquarters.

Use of the Property Management forms issued along with this manual is mandatory. Additional fields may be added as needed by CARE offices due to unique donor requirements, host country law, local law, or simply to improve operational efficiencies; however, any other modification to the forms must first be approved by the DRD-PS.

The focus of this manual is the management of Nonexpendable Property items. Minimal guidance has also been provided for expendable, supply items in Chapter 15.8.

Special Note: Although efforts have been made to adhere to all donor property management policies and procedures, there may be instances where individual donor requirements and/or host country

laws differ from these policies. If there is a conflict between CARE policy and donor regulations or host country law, seek guidance from the DRD-PS in your region to determine how to manage these issues.

15.0.1 Policy

Safeguarding of CARE's property is a priority for all departments and employees who have managerial, operational or custodial control of such property (including acceptable acquisition, use, maintenance and general care, disposal, transfer, and physical security). All CARE Country Office staff are expected to comply with the policies and procedures outlined in this manual.

This manual is effective **February 1, 2010** and will continue to be in effect until further notice.

15.0.2 Persons / Offices Affected

The policies and procedures outlined in this manual apply to all CARE USA Country Offices. It is the responsibility of employees involved in property management to follow the policies and procedures herein.

This policy is recommended for adoption by other CARE International members as applicable to their operations. However, in certain cases CARE USA may require other CARE International members to comply to meet relevant donor regulations.

15.0.3 Policy Detail

Details of the various policies governing property management and related procedures are outlined in the following sections.

15.0.4 Procedure

N/A

15.0.5 Definition of Key Terms

Following are definitions of key terms used throughout this manual:

Acquisition: occurs when CARE takes ownership of a property item. Acquisition may take place before the physical receipt of an item.

Acquisition Cost: includes the unit cost of the item and modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Other charges, including but not limited to, cost of installation, transportation, duty, in-transit insurance, etc. will be excluded from the unit's acquisition cost.

Acquisition Date: date on which CARE obtained ownership of the property item.

Branding: special mark affixed to a property item displaying the donor name.

Bureau of Industry and Security (BIS): enforces the Export Administration Regulations (EAR), which regulates the purchases and shipments of most US-origin commercial items.

Cannibalize: to remove serviceable parts from a piece of equipment for use in the repair of other equipment of the same kind.

Compensating Controls: used to "counterbalance" the effects of an internal control weakness, or if an internal control is not able to function for some period of time.

Custodian: a designated individual who has been assigned the authority and responsibility for the safeguarding a property item.

Disposal: physical removal of property from CARE's custody, including transfer of title vestment.

Disposition: final destination of a property item that has been disposed of.

Export Control Classification Number (ECCN): an alpha-numeric classification used in the US Commerce Control List to identify items for export control purposes. All ECCNs will have 5 characters and will be identified on the BIS license.

Fair Market Value: price at which the property would change hands between a willing and well-informed buyer and a willing seller, neither being under any compulsion to buy or to sell.

General Receipt Note (GRN), or Goods Receipt Note: an official document acknowledging receipt of an item.

Internal Controls: systematic measures (such as reviews, checks and balances, methods and procedures) implemented to conduct business in an orderly and efficient manner; safeguard assets; deter and detect errors, fraud, and theft; and ensure adherence to policies and procedures. (See “Compensating Controls”).

Loan: to temporarily lend a property item to an entity external to CARE.

Location Code: special code used to designate the physical location of a property item.

Nonexpendable Property: furniture, fixtures, equipment, motorcycles and vehicles that have a useful life of more than one year, an acquisition cost of USD 500 (or local currency equivalent) or more per unit, and title to the item is vested with CARE.

OFAC (Department of Treasury, Office of Foreign Asset Control): enforces economic and trade sanctions to implement U.S. foreign policy and national security goals. Its requirements are separate and in addition to Bureau of Industry and Security (BIS).

Operational Area: general reference to any CARE location, including Head Offices, Regional Management Units, sub-offices, and field offices.

Physical Count (or Physical Inventory): a manual count of all on-hand property items and reconciliation with current property records.

Property Category: Computer Equipment (CE), Furniture (FN), Equipment (EQ), Communications Equipment (CM), Vehicle (VH), or Motorcycle (MC).

Property Description: a brief representation of an item. Brand names or other distinguishing characteristics should be included in a property description.

Property Identification Number: unique number assigned to a property item that does not change and remains permanently associated with the item. The Property Identification Number is assigned by CARE, not the manufacturer.

Property Location: physical location of a property item (for example, sub-office, individual residence, main office, etc.) The Country Office will develop a list of Location Codes, to describe property locations.

Property Register: the official record of receipts, transfers, and disposals of nonexpendable property items.

Receipt: occurs when physical possession is taken of a property item.

Segregation of Duties: separation of the management or execution of certain duties or of areas of responsibility in such a way so that no single individual has system access or physical control over all aspects of a business process or transaction.

Serial Number: a unique, identifying number or group of numbers and letters placed on a property item by the manufacturer.

Stores Register: a record providing information on each supply item that reconciles with Stores Receipt & Disbursement forms.

Stores Receipt & Disbursement Form (SRDF): pre-numbered form that provides sufficient information for supply recordkeeping, including receipts, disbursements and adjustments.

Supplies: items are that are consumable, perishable or short lived, and are subject to material change. For example, stationery, spare parts, and

other items that are used or consumed during the course of program or program support activities.

Title Vestment: reflects ownership of an item. In the majority of instances, the title of the property is vested with CARE, unless otherwise defined by donor contract, award or agreement.

Transfer: physical movement of property from one location to another, or to another entity while the property title remains vested with CARE.

US Embargoed Country: any country subject to a US Government embargo.

Value Added Tax (VAT): consumption tax on the value added to an item which is payable at the time of sale.

Waybill: official shipping document giving details and instructions for the shipment of a property item.

15.0.5 Revision History & Associated Policy

N/A

15.0.6 Other Materials Providing Reference and Guidance

USG 22 CFR 226.34 - Equipment

http://edocket.access.gpo.gov/cfr_2007/aprqtr/pdf/22cfr226.34.pdf

Annex IV of the European Community's framework partnership agreements with Humanitarian Organisations

http://ec.europa.eu/echo/files/about/actors/fpa/annex4_en.pdf

CARE USA Compliance Website

<http://compliance.care.org/Wiki%20Pages/Inventory.aspx>

LISTING OF ATTACHMENTS	
Attachment #	Title of Attachment
Attachment – 01	Property Register Form (PRF) - Receipt
Attachment – 02	Location Codes (Example)
Attachment – 03	Property Register Form (PRF) - Transfer
Attachment – 04	Waybill
Attachment – 05	Property Register Form (PRF) - Disposal
Attachment – 06	Property Register
Attachment – 07	Store Receipt and Disbursement Form (SRDF)
Attachment – 08	Summary Store Register
Attachment – 09	Physical Count Tally Sheets
Attachment – 10	BIS Export License Example
Attachment – 11	OFAC and Export Requirements for Sudan (Summary)
Attachment – 12	Property Management Quick Reference Guide

15.1 PROPERTY MANAGEMENT RESPONSIBILITIES

15.1.0 Purpose

This section defines the property management responsibilities of CARE employees.

15.1.1 Policy

Property management responsibilities will be adequately defined and administered to assure that property is managed per CARE and donor requirements, policies and procedures.

15.1.2 Persons / Offices Affected

This policy applies to all CARE offices and employees who have managerial, operational or custodial control over CARE property.

15.1.3 Policy Detail

All staff that has control over property will have sufficient knowledge of property management policies and procedures to adequately discharge their duties.

A. Overall Role of Property Management Unit

The Property Management Unit is responsible for ensuring that the policies and procedures outlined in this manual are adequately implemented and that all records regarding the acquisition, transfer and disposal of CARE property are complete, accurate and maintained.

B. Country Director Roles and Responsibilities

The Country Director has the final responsibility of assuring the overall effectiveness of the property management function within the country office. Responsibilities include:

- Establish a formal organizational structure relevant to the needs of the Country Office

- Ensure adequate support for property management infrastructure (including policies, processes, and personnel)
- Ensure that internal control measures and accountability practices are in place and are effective
- Emphasize importance of the Property Management function within the Country Office
- Approve all disposals of property (or assign a designee)
- Sign off on Annual Physical Inventory Certification Form

C. Administration Manager Roles and Responsibilities

The Administration Manager, or equivalent, will have overall responsibility for overseeing property management functions including the following:

- Ensure implementation of property management infrastructure (including policies, procedures, processes, and personnel)
- Develop accurate and detailed job descriptions which reflect specific property management accountabilities
- Maintain a property management training program
- Train and supervise property management staff
- Verify adherence to property management policies and procedures
- Verify adherence to donor property regulations and local laws
- Manage the performance of administrative staff
- Assign or schedule staff to assist with physical inventories
- Assist with audit responses and development of corrective action plans
- Establish and maintain practices for the maintenance of equipment to include preventive maintenance and corrective repair to ensure that equipment is kept in good working condition
- Ensure that CARE's property is adequately insured
- Recommend changes and enhancements in property management procedures

D. Supervisor Roles and Responsibilities

The Supervisor, or equivalent, will have overall responsibility for oversight, management and guidance of day-to-day property management functions, including the following:

- Ensure that employees understand and comply with established policies and procedures
- Monitor and review the work of those performing the property management duties
- Help Administration, IT, Finance, HR and other units carry out their duties with respect to this policy
- Discuss performance in connection to property management in daily supervision as well as during the evaluation process
- Provide the necessary guidance and training to help minimize errors and ensure continued compliance
- Provide feedback to Administration Manager regarding the effectiveness of property management processes and training materials

E. Individual Employee & Custodian Roles and Responsibilities

Every employee, and especially those employees who have been designated as “Custodians”, has a general obligation to safeguard and make appropriate use of CARE’s property and equipment. This obligation includes but is not limited to:

- Exercise reasonable care in equipment use to prevent damage and maintain in good condition
- Ensure use of the item as per instructions/ guidelines/standards provided by the manufacturer or the technical expert provided by CARE
- Take reasonable security precautions to discourage loss, theft, or misuse of property
- Report lost, stolen, damaged, or otherwise impaired property/equipment to their immediate Supervisor, Property Custodian, or Administration Manager
- Return all property items such as laptops, mobile phones, pagers, etc., to immediate Supervisor or Property Management Unit before transferring to another office or departure from CARE

Each employee must understand the purpose of CARE property procedures, as well as the policies which support these procedures. It is the employee's responsibility to consult with a supervisor if policies and procedures are unclear or if there are difficulties fulfilling the requirements

of any policy or procedure. Problems which arise should be brought to the attention of the highest level necessary. Policies and procedures are not intended to restrict the efforts of CARE employees, but will provide a foundation for complete, efficient and consistent implementation of the CARE property management system.

Employees who have been designated as “custodians” of property have the following additional responsibilities:

- Control access to the equipment and take reasonable security precautions to discourage loss and theft of items
- Ensure maintenance occurs as per schedule and that repairs are carried out in an effective and timely manner
- Provide accurate, timely, and complete information regarding property status changes (e.g., receipt, loss, transfer to a new location, cannibalization, etc.) to Administration Administrator or Supervisor, when requested
- Document any movement or event related to the item
- Promptly report damage to supervisor and/or budget holder in a timely manner
- Participate in researching and resolving property issues
- Assist staff charged with verification during physical audits
- Notify Property Management Unit when items are no longer needed
- Ensure that temporary loans of property and equipment to other external entities are documented, and make sure items are returned as agreed
- May be held responsible for loss or theft of assigned items in the event of failure to take reasonable precautions
- May be subject to disciplinary action for improper use and failure to maintain assigned items

F. General Care and Maintenance of Property Items

At a minimum, the following general care and maintenance guidelines should be followed for nonexpendable property items:

- Establish a check-out/check-in system for attractive property items and items that are used by multiple employees (for example, cameras, extra laptops)

- All equipment should be maintained in good working order by care and regular servicing. The most efficient repair and maintenance strategy is to be established and adopted. Preventive maintenance is a vital part of the plan. At the least, the following assets require maintenance (as recommended in manufacturer's manuals): vehicles, computers, printers, copiers, power-generating equipment, air conditioners, fire alarms and extinguishers.
- Administration will maintain a replacement and maintenance plan. The plan should indicate:
 - Asset identification details (e.g. serial number, property identification number, etc)
 - Location (Cost center and actual physical location)
 - Year of purchase
 - Current condition
 - Maintenance details (costs, frequency, provider)
 - Suggested disposal date
- Supplier maintenance contracts, when considered to provide the most economic servicing and repair, will be obtained as per the CARE Procurement Policy.
- Warranties will be recorded and monitored. Warranty information and supporting documentation is to be maintained by the owning department.
- When it is no longer economical to maintain equipment or where it is necessary to replace equipment due to obsolescence, the Technical unit (IT, Transportation, Administration) will advise the budget holder concerned so that the budget holder may begin the process for disposal and replacement.

G. Minimum Segregation of Duties

Segregation of duties means that organizational roles and responsibilities have been divided between staff in such a way so that no single individual has physical, system access or control over all key aspects of a business process or transaction. Segregation of duties is an essential part of internal control and reduces the risk of both erroneous

and inappropriate actions throughout the property management process, whether deliberate or unintentional.

During the development of job descriptions and the assignment of property management functions, special care must be taken to ensure that adequate segregation of duties is maintained. At a minimum, leadership in the various locations should ensure that the property functions noted below are adequately separated among employees involved in property management. Specifically, the Country Director must assure that an individual will not have control over more than one (1) or more of the following three (3) functions for a single property transaction:

1. Receipt and custody of property
2. Recordkeeping and reconciliation of property records
3. Authorization for the acquisition, transfer, or disposal of property items

It is recognized that maintaining segregation of duties may be challenging for a small Country Office which may have limited staffing. When the three (3) management functions cannot be separated, adequate compensating controls must be implemented to mitigate risks of error or fraud. Compensating controls are used to "counterbalance" the effects of an internal control weakness, or if an internal control is not able to function for some period of time. Such compensating controls must be approved by the Country Director and DRD-PS, in consultation with Internal Audit, and documented in the Country Office files and communicated to CARE USA Headquarters. An example of a compensating control is a detailed supervisory review of key property management activities or requiring additional signatories for transactions.

CARE's CORE VALUES

- Respect: We affirm the dignity, potential and contribution of participants, donors, partners and staff.
- Integrity: We act consistently with CARE's mission, being honest and transparent in what we do and say, and accept responsibility for our collective and individual actions.
- Commitment: We work together effectively to serve the larger community.
- Excellence: We constantly challenge ourselves to the highest levels of learning and performance to achieve greater impact.

15.1.4 Procedures

N/A

15.1.5 Revision History & Associated Policy

N/A

15.1.6 Other Materials Providing Reference and Guidance

Finance & Administration Manual – Chapter 13: Global Risk Insurance

15.2 PROPERTY RECEIPT

15.2.0 Purpose

The purpose of this section is to establish policies and procedures for the receipt of nonexpendable property.

15.2.1 Policy

CARE will maintain a property control receipt system to ensure adequate recordkeeping of and safeguards for nonexpendable property to ensure donor compliance and the prevention of loss, damage or theft during receipt.

15.2.2 Persons / Offices Affected

The policies and procedures outlined in this document apply to all CARE USA Country Offices. It is the responsibility of employees involved in property management to follow the policies and procedures described herein.

15.2.3 Policy Detail

N/A

15.2.4 Procedure

A. Receipt of Property Item

Property may be acquired by a variety of methods including purchase, donation, gift, and transfer. An employee, unit or department (inventory, warehouse or logistics) is assigned the responsibility of receiving all delivered, purchased or donated nonexpendable property at each delivery location, e.g. main office, warehouse or sub-office.

The employee receiving the property will verify the quality, quantity and condition of each item and compare to the General Receipt Note (GRN), Waybill or other delivery documentation. Any shortage, damage or incorrectly delivered item will be noted on the GRN, Waybill or other delivery documentation. For further information on

the preparation of the GRN, refer to the Procurement Manual, Section 10.6.4).

B. Property Register Form - Receipt

Upon receipt of the property and the GRN (or other documentation in the case of donated property), the employee who receives the property prepares a Property Register Form (PRF)-Receipt, (Attachment 1), which is a pre-numbered form that provides sufficient information for property receipt recordkeeping and is used as supporting documentation for the Property Register.

If a property item is purchased on behalf of a partner, sub recipient or other organization and the title remains vested with CARE, a Property Register Form (PRF)-Receipt, (Attachment 1), is prepared and approved. If an entity in which the property is vested is not CARE, then the property item is not managed by CARE and will not appear in the CARE Property Register.

Note that each property item will have a separate PRF-Receipt completed. The PRF-Receipt is prepared in triplicate:

- Original PRF is attached to financial documentation related to the procurement or donation of the property item.
- Copy 1 is maintained by the receiving unit.
- Copy 2 is maintained as supporting documentation for the Property Register together with the copy of the GRN.

The PRF-Receipt will be retained for a period of seven (7) years after the close of the project or disposal of the property.

The following information will be completed in the PRF-Receipt and will be entered into the Property Register after approval:

Property Identification Number: Unique number assigned to the property item which does not change and remains permanently associated with the item. A decal displaying the Property Identification Number is affixed to each property item for positive identification. The

decal should be placed on the item so that it is easily visible.

Property Description: A brief description of the property: computer, motorcycle, vehicle, etc. Brand names or other distinguishing characteristics will be included. To the extent possible, standardize description language for clarity. Suggested format for Property Description is “description, brand, and model”. For example, Laptop, Dell, D430.

Property Category: Each property item is further defined by category in order to provide sub-lists of the Property Register for management and donor reporting purposes. Property Categories are:

- Computer Equipment (CE): is defined as computers and related equipment: CPU, monitor, printer, server, etc. if the unit acquisition cost is USD 500 or more.
- Furniture (FN): is defined as office or residence furniture items if the unit acquisition cost is USD 500 or more.
- Equipment (EQ): is defined as office or residence equipment items: photocopier, air-conditioner, generator, refrigerator, stove, etc. if the unit acquisition cost is USD 500 or more.
- Communications Equipment (CM): is defined as communication items that are placed in a CARE owned or managed location: PABX, satellite phones, radio base station, transceivers, etc. if the unit acquisition cost is USD 500 or more.
- Vehicle (VH): is defined as a motorized four-wheeled vehicle, and related equipment: pick-up truck, sedan, lorry, tractor, etc.
- Motorcycle (MC): is defined as a motor vehicle with not more than 4 wheels that is steered by means of handle bars.

Serial Number: Nonexpendable property items will have a serial or other number that is placed on the item by the manufacturer, i.e. chassis for vehicles. (Note: Vehicles often identified by two serial numbers (a chassis number and engine number). If a serial or chassis number is not on the item, enter N/A (Not Applicable).

Property Location: The location of each inventory item must be described: sub-office, individual residence, main office, etc. *There is no requirement to subdivide the individual office location into specific rooms or assign items to staff.* If a property item has been provided to a partner, sub recipient or other organization and the title remains vested with CARE, the name of the partner, sub recipient or other organization is recorded as the location. The Country Office will develop a list of Location Codes, based on the attached example, Location Code, (Attachment 2).

Fund Code(s): The specific Fund Code (donor) that was used when the property item was purchased. In some instances, a cost pool, which has a number of fund codes, is used with specific percentages for the total cost of the item. The fund code(s) and percentages will be included.

Project Number(s): The specific Project Number (project name) that was used when the property item was purchased. In some instances, a cost pool, which has a number of projects, will be included.

Account Code: The specific account code (expense account) that was used when the property item was purchased.

Percentage of Funding Source: The percentage of funding sources if the property item's purchase was among multiple donors.

BIS License Number**: As discussed in a later section of this manual, the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC) and U.S. Department of Commerce's Bureau of Industry and Security (BIS) regulates the export and re-export of some items shipped from the U.S. These items are defined as "controlled items" and a specific BIS License, which is obtained with assistance from the CARE USA Legal Department and Procurement unit, is required for some property purchased with USG funds. In order to assist the organization to comply with these regulations and track these purchases, the BIS License number, in instances when they have been provided, will be included. If a BIS license has not been provided, enter N/A (Not Applicable).

Property Title Vestment: reflects ownership of the item. In the majority of instances, the title of the property is vested with CARE, unless otherwise defined by donor contract, award or agreement. If not noted otherwise, the title of the property item vests with CARE.

USD Acquisition Cost: The unit acquisition cost includes the unit cost of the item and modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Other charges, including but not limited to, cost of installation, transportation, duty, in-transit insurance, etc. will be excluded from the unit's acquisition cost. Note that some invoices may list total prices and not the individual unit cost. A simple calculation will be done to determine the individual unit cost.

Acquisition Date: Date on which ownership of the property item was obtained by CARE.

Purchase Order Number: The identification number on the PO associated with the item purchased.

Property Condition: The following will be used when determining the condition of the property item which is updated during the annual physical count:

- **Functional**: The property item is in reasonable condition, is useful to the organization and can be operated or used safely.
- **Non-Functional**: Due to the condition of the property item it is not operational, can no longer be used by the organization or cannot be operated or used safely.

C. Assigning Property Identification Numbers

The office location that receives the property will prepare a PRF – Receipt and affix a Property Identification Decal number based on a complete and approved PRF. The Property Identification Decal number is a unique numeric code that is applied to a permanent decal which is then affixed to each item that meets the CARE property definition. The decals should be weather-proof and placed in a visible location on the item.

It is recommended that the decal have the following language:

Property of CARE [Country Office Name] #000001 (and serially thereafter)

If a CARE office location that operates offline receives property, the office will prepare PRFs and affix Property Identification Decals. At the end of each month, the offline office location will provide completed and approved PRFs to the main office so the CARE Property Register is updated monthly.

If an item is procured by CARE USA or a CARE International member and shipped to the Country Office, the PRF will be prepared and Property Identification Decal affixed by the Country Office.

After the completion of the PRF and affixing of the Property Identification Decal, the item should be immediately delivered to the requisitioner, if feasible. If it is not feasible to immediately deliver to the requisitioner, the item can be placed in a secure facility as follows:

- CARE Storage Facility: As described in a later section of this manual, the item can be placed in a store or warehouse in which there is a formal process for the receipt and disbursement of items.
- Transit Store: In instances where an item will be delivered to another location or is to be stored temporarily due to programmatic reasons, the item can be placed in a secure transit store. In this instance, no formal process for receipt and disbursement is done. However, management must ensure that items in the transit store do not remain for more than a one month period. If the item is going to be stored for a longer period of time, the item should be formally managed through a storage facility. A custodian must be assigned to the Transit Store to ensure safekeeping of the items stored inside.

D. Special Instructions for Country Offices Operating in US Embargoed Countries

NOTE: ** Country offices operating in a country subject to a USG embargo are required to track in their property registers all items purchased or received on a BIS license (regardless of unit acquisition cost), as well as any US-origin electronic items that are exported from the US or re-exported from countries outside the US. Please note that there are additional, special reporting requirements for BIS License items. Refer to 15.7.4 for a complete list of information to be recorded in the Property Register for these items.

E. Donor Branding

Some donors require that their brand or mark is affixed to property that is purchased with their funding. It is the responsibility of the CARE Office to determine if such branding requirements are defined in contracts, awards and agreements.

With specific regard to the United States Agency for International Development (USAID), the marking plan requires that the USAID identity, which is the USAID logo or seal including the tagline “from the American People”, be visibly displayed on property that is purchased with or donated by USAID funding. More USAID branding guidance, specifications and practices are available at <http://www.usaid.gov/branding>.

For EU / ECHO branding requirements, refer to Annex IV - Rules And Procedures Applicable To Property, Supply, Works And Service Contracts Awarded Within The Framework Of Humanitarian Actions Financed By The EC
http://ec.europa.eu/echo/files/about/actors/fpa/annex4_en.pdf.

15.2.5 Revision History & Associated Policy

N/A

15.2.6 Other Materials Providing Reference and Guidance

USAID Branding Requirements

<http://www.usaid.gov/branding>

Annex IV of the European Community's Framework Partnership
Agreements with Humanitarian Organisations

http://ec.europa.eu/echo/files/about/actors/fpa/annex4_en.pdf

15.3 PROPERTY TRANSFER

The purpose of this section is to establish policies and procedures for the transfer of nonexpendable property.

15.3.1 Policy

CARE will maintain a system to ensure adequate recordkeeping of and safeguards for nonexpendable property during transfer to ensure adherence to CARE best practices and donor requirements as well as to reduce risk of loss, damage or theft.

15.3.2 Persons & Offices Affected

The policies and procedures outlined in this document apply to all CARE Offices. It is the responsibility of personnel involved in property management to follow the policies and procedures herein.

15.3.3 Policy Detail

When a nonexpendable property item is transferred from one location to another location within a CARE operational area, e.g. main office, sub-office, official residence or it is temporarily transferred to another entity, a Property Register Form–Transfer, (Attachment 3) and a Waybill (Attachment 4) which documents the movement of the property item will be prepared and approved.

15.3.4 Procedure

A. Property Register Form - Transfer

When physically transferring property from one location to another within a CARE operational area, or when a property is being used for a different project, the location that initiates the transfer of the property will complete a Property Register Form (PRF)–Transfer Form, (Attachment 3), which is a pre-numbered form that provides sufficient information for property transfer recordkeeping.

In some instances, a Country Office may transfer property from a Country Office (location, main office, warehouse, sub-office) to a partner, sub recipient, other organization or another CARE project. When title remains vested with CARE, the location that initiates the transfer will also complete a Property Register Form (PRF)–Transfer with the name of the organization as the transfer location.

Each transfer of property will have a separate PRF–Transfer completed. The document is prepared in triplicate:

- Original PRF – Transfer is retained by the dispatch office.
- Copy 1 is maintained by the receiving office as an attachment to the Waybill.
- Copy 2 is maintained by the receiving office as supporting documentation for the Property Register.

The PRF-Transfer will be retained for a period of seven (7) years after the close of the project.

As the original PRF–Receipt and relevant transfer forms provided all property information required, the only information required on the PRF–Transfer is as follows:

Date of Transfer: Date item was transferred.

Property Identification Number: This is the permanent Property Identification Decal number that was originally affixed to the property item to identify it in the Property Register. This number is included for reference purposes only and will not be changed during transfer of the item.

Property Description: The description was originally entered into the system and is included for reference purposes only. This information will not change during the transfer of the item.

Property Location (Original and New): As the item is being transferred from one location to another, the location of each item will be defined in the Location Codes. If an item has been provided to a partner, sub recipient or other organization and the title remains vested with CARE, the name of the partner, sub recipient or organization is entered as the location. As necessary, the Location Codes are to be updated.

Note: If the title for the item is permanently transferred to a partner, sub recipient or other external organization, please refer to the “Property Disposal” section for guidance.

Project Number (Original and New): If the property item is being transferred due to use on a new project, provide the original Project Numbers on the PRF-Transfer.

Condition: Functional or Non-Functional.

Custodian: If applicable, the custodian of the item can be included. Custodianship would apply to highly valuable and/or easily portable items, e.g. laptop or camera. It is not necessary to provide custodianship for office or residence furniture or equipment items or vehicles. The country Office is to have a formal process, managed through Human Resources, which documents the formal transfer of a property item to/from the custodianship of the employee.

B. Transfer of Property Items

An employee, unit or department (inventory, warehouse or logistics) is assigned the responsibility of transferring nonexpendable property at each location, e.g. main office, warehouse or sub-office.

The location that initiates the transfer of these items will complete a Waybill, (Attachment 4), which includes the following:

Waybill Number: The Waybill is pre-numbered.

Date of Dispatch: The date that the items are dispatched.

Description of Items: A brief description of each item is listed on the Waybill individually.

Quantity Dispatched: The number of items dispatched is entered by the sending office.

Quantity Received: The number of items received is entered by the receiving office.

Property Identification Number: The unique, permanently assigned number which is affixed to the property item.

Comments: The receiving office notes discrepancies between number sent/received, if items have been received broken or damaged, if incorrect items have been shipped, etc.

License Number of Vehicle: The dispatch office includes the license number of the vehicle transporting the items. If dispatched by other means, include an identifying number, i.e. flight number or other distinguishing number.

Driver Name and Signature: The dispatch office ensures the driver name and signature is on the Waybill. If dispatched by other means or if the driver's signature cannot be obtained, include an appropriate alternate signature.

Dispatcher Name and Signature: The dispatch office includes the name of the dispatcher.

Receivers Name and Signature: The receiving office includes the name and signature of the receiver.

Dispatch Office: The dispatch office completes the Waybill, as noted above, and as follows:

- Following completion of the Waybill at the point of dispatch, the dispatch office provides the Original and Copies to the transporter or CARE driver.
- Upon arrival at the receiving office, the employee responsible for the receipt of the items completes the Quantity Received section of the Waybill and notes any shortage, damage or incorrectly delivered item based on the Waybill. Once this information is complete, the

employee signs the receipt portion of the Waybill. At this point, the receiving employee:

- Returns the Original to the dispatch office.
- Maintains Copy 1 in a Waybill file as proof of delivery.
- Provides Copy 2 to the transporter for submission with their invoice. If the item was delivered by a CARE driver, Copy 2 is given to them for their personal records.

When the dispatching office receives the Original, the office will compare the items noted as received with the items that were dispatched. If any differences are noted, the staff responsible for waybills will notify the head of Administration.

15.3.5 Revision History & Associated Policy

N/A

15.3.6 Other Materials Providing Reference and Guidance

N/A

15.4 PROPERTY DISPOSAL

15.4.0 Purpose

The purpose of this section is to establish policies and procedures for the disposal of nonexpendable property.

15.4.1 Policy

CARE will maintain a system to ensure adequate recordkeeping of and safeguards for nonexpendable property during disposal to ensure adherence to CARE best practices and donor requirements as well as to reduce risk of loss, damage or theft.

15.4.2 Persons & Offices Affected

The policies and procedures outlined in this document apply to all CARE Offices. It is the responsibility of employees involved in property management to follow the policies and procedures herein.

15.4.3 Policy Detail

When a property item is disposed of, including transfer of title vestment, a Property Register Form–Disposal, (Attachment 5), will be prepared and approved. **Disposals of property must be approved by the Country Director due to the potential risks to the organization.**

Disposal of all property must be in a manner consistent with donor regulations and local law, as well as CARE's interests. In addition, the Country Office will determine possible liabilities related to local law, Value Added Tax (VAT) issues, local government regulations, etc. prior to the disposal or transfer of the title or item to another entity.

Be sure to verify specific donor requirements and host country law prior to proceeding with disposal of a property item. Donor requirements and host country law take precedence over the following procedures.

Special Note for Property Items Purchased and Received On a BIS License: No resale, transfer (including gifts), or re-export of any property item purchased under a BIS License is permitted without prior BIS approval. This restriction also applies to transfer of items to partners, sub recipients, beneficiaries, or other organizations. Contact the CARE USA Legal Department for further guidance in this area. See Section 15.7 on BIS License Compliance for additional guidance.

Employees may not take control of property items, nor are they granted ownership, unless they have purchased the property item through the processes described herein. Failure to comply with this policy will lead to personnel action, up to termination of employment.

15.4.4 Procedure

A. Property Register Form - Disposal

The Property Register Form-Disposal is a pre-numbered form that provides sufficient information for property disposal recordkeeping. The CARE main office must complete a Property Register Form (PRF)-Disposal when an item is:

- returned to the donor
- lost or stolen
- sold
- scrapped
- cannibalized to the extent that it is no longer usable for the purpose for which it was originally purchased

Further investigation may occur in the case of stolen or missing items or if circumstances point to problems related to a specific office location, an employee, or to a systems, policy, or procedural failure. For more information, refer to ALMIS #5297 "Losses and Fraudulent Acts".

Prior to the disposal of an item, a review of donor contractual, award or agreement obligations will be undertaken. Donors may have specific

regulations on USD or other currency threshold levels, methods of disposal, sale proceeds management, value calculations, etc. The review is critical as obligations with donors may have specific rules governing disposition and/or local law and tax issues may have implications for CARE.

As the original PRF–Receipt provided all property information required, the only information required on the PRF–Disposal is as follows:

Date of Property Disposal: Date on which item was disposed of.

Property Identification Number: Number that is serially assigned and affixed to each property item for identification

Description: Suggested format for Property Description is “description, brand, and model”

Serial Number: Serial or other number that is placed on the item by the manufacturer

Fund Code(s): Fund Code (donor) that was used when the property item was purchased

Project Number(s): Project Number (project name) that was used when the property item was purchased

Method of Disposal: Sale, Scrap, Transfer of Title Vestment, Theft, Missing Item, Cannibalized, or Other

USD Disposal Sale Price: If the property was sold, the USD sale price that was received for the item.

Fair Market Value: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. If the item has a FMV of USD 5,000 or more at the time of the sale or title transfer to a partner, sub recipient, beneficiary, or other organization; include the calculated depreciated value along with supporting documentation.

Fair Market Valuation Method: Method by which the fair market value was determined.

Disposition: Include the name of the partner, sub recipient, beneficiary, or other organization that receives the item as part of a disposal.

The PRF-Disposal will be retained for a period of seven (7) years after the close of the project.

B. Property Disposal Method – Low Value (< USD 500)

For items that have an estimated resale unit value of less than USD 500, or local currency equivalent, e.g. old tires, old spare parts, broken furniture, packing materials, scrap equipment, etc., the items may be given to local charities, schools, other organizations, raffled off to CARE staff in an efficient and transparent method, dumped or destroyed. Due to the low value of the property items, the most efficient and expeditious method of disposition will be used. The rationale is that CARE does not want to waste valuable management time in managing the sale of scrap items that have little or no value.

The Administration Manager can provide additional guidance on determining whether an item is less than USD \$500.

C. Property Disposal Method – Medium Value (USD 500 < 5,000)

For property items that are no longer needed by CARE and have an estimated unit fair market value USD 500 to 5,000, e.g. office equipment, computers, photocopiers, printers, motorcycles, etc., a formal process is followed for the disposal of items. *The process assumes that donor regulations allow the disposal of property and the fair market value of an individual item is less than USD 5,000 or local currency equivalent.*

Fair market value calculation is not required for Medium Value items. The Administration Manager can provide additional guidance on determining whether an item is less than USD 5,000. It is recommended that a committee be established to help make determinations of valuation in order to ensure transparency.

However, if the possibility exists that an item's resale value may meet or exceed the USD 5,000 threshold, the fair market value must be determined, documented and attached to the PRF-Disposal for the property item. In most instances, this valuation this will be done to document that a vehicle or other high value property item is below the USD 5,000 threshold level. To calculate fair market value, one of the following methods may be used:

- Check recent local sales (via internet search, newspaper advertisements, etc.)
- Current Vendor Catalogs
- Recent Vendor Quotations
- Reputable Vendor: If there are two (2) reputable local vendors that can provide a reasonable valuation of the property item, the office will use the average of the 2 valuations.
- Licensed Vehicle Dealer: In the case of vehicles, a local dealer's valuation of the property item can be used.
- Certified Appraiser: If there is a certified appraiser in the area, the appraiser's valuation of the property item can be used.

For the disposition of medium value property by sale, the following applies:

An advertisement will be placed in the local newspaper or posted in prominent locations in the CARE office operational area. The advertisement or list will contain the following:

The property items (including description, make, model, etc.) with the notation that items will be sold "as is, where is".

Sealed bids are to be received by a specific date in a predefined location (e.g., box in reception area) with the item(s) bid on written on the outside of the envelope.

An office committee will open the bids, determine the winners, and

post the list of successful bidders.

Payment for successful bids must be within 5 days and in full. Also, items must be removed from the CARE office or compound within 10 days.

If the successful bidder does not meet obligations as above, then the next bidders on the list are awarded the purchase, in descending order. If a check is accepted for payment, the item will be turned over once the check has cleared the bank, and money deposited into a CARE account. CARE will not accept partial payment, payment over time, loans, etc. Payment will be fully payable at the time the item is handed over.

D. Property Disposal Method – High Value (USD 5,000 or more)

For property items that are no longer needed by the original project, program, or CARE office operational area and have an estimated unit fair market value of USD 5,000 or more, e.g. vehicles, large generators, etc. a formal process is followed for the disposal of items. *The process assumes that donor regulations allow the disposal of property and the fair market value of an individual item is USD 5,000 or local currency equivalent or more.*

The fair market value must be determined, documented and attached to the PRF–Disposal for the property item as noted above. In most instances this will be done to document that a vehicle or other high value property item meets or exceeds the USD 5,000 threshold.

If the property item meets or exceeds the threshold level, the CARE office may use or dispose of the property item in the following level of priority:

- Use the property item in connection with other projects funded by the donor that purchased the item, e.g. USAID, EU, etc.
- Use the property item in connection with another project funded by other federal agencies (U.S. Government funding only).
- Retain the equipment for other uses provided that compensation is

made to the original Federal awarding agency or its successor. The amount of compensation is to be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. (U.S. Government funding only).

- Sell the property, with donor concurrence in writing.

For the disposition of high value property by sale, the following applies:

An advertisement will be placed in the local newspaper or posted in prominent locations in the CARE office operational area. The advertisement or list will contain the following:

The property items (including description, make, model, etc.) with the notation that items will be sold "as is, where is".

Sealed bids are to be received by a specific date in a predefined location (e.g., box in reception area) with the item(s) bid on written on the outside of the envelope.

An office committee will open the bids, determine the winners, and post the list of successful bidders.

Payment for successful bids must be within 5 days and in full. Also, items must be removed from the CARE office or compound within 10 days.

If the successful bidder does not meet obligations as above, then the next bidder on the list is awarded the purchase, in descending order. If a check is accepted for payment, the item will be turned over once the check has cleared the bank, and money deposited into a CARE account. CARE will not accept partial payment, payment over time, loans, etc. Payment will be fully payable at the time the item is handed over.

Based on contractual, award or agreement obligations, the property item may be transferred to partners, sub recipients, partners, or beneficiaries. If this is required, follow donor regulations with appropriate documentation.

If the CO has a number of vehicles to dispose of at the same time, CARE has had good success in the contracting this task out to a 3rd party provider (usually for a modest percentage of the sales prices). The disposal process is handled with much less management time and helps reduce the chance of chance of price fixing or special treatment.

E. Sales Proceeds

Property sale price less than USD 5,000: For property items that have a sale price of less than USD 5,000 per unit, the CARE office location will treat the income per donor regulations or as General Purpose Funds (GPF). *This assumes that donor regulations allow that sale proceeds will be treated as income to the organization.*

Property sale price of USD 5,000 or more (Non-USAID): For property items that have a sale price of USD 5,000 or more per unit item, the CARE office will determine the appropriate handling of sale proceeds based on donor regulations.

Property sale price of USD 5,000 or more (USAID): For USAID funding, the following method will be used for sale proceeds, with USAID concurrence. Sale proceeds are defined as program income and can be used in one or more of the following ways:

- Income added to the funds committed by USAID and use the income to further eligible project or program objectives.
- Income used to finance the non-federal share of the project or program.
- Income deducted from the total project or program allowable cost to determine the net allowable costs on which the federal share of costs is based.

15.4.5 Revision History & Associated Policy

N/A

15.4.6 Other Materials Providing Reference and Guidance

N/A

15.5 PROPERTY REGISTER

15.5.0 Purpose

The purpose of this section is to establish policies and procedures for the management of the Property Register, which is centrally maintained at the Head Office.

15.5.1 Policy

At a minimum, the Head CARE office will maintain a property register system to ensure adequate recordkeeping of and reporting for nonexpendable property with a unit acquisition cost of USD 500 or more to ensure donor compliance and information for management and control purposes.

Although Property Registers are not required for nonexpendable property items with an acquisition unit cost of less than USD 500, these items must be safeguarded to ensure its use for authorized purposes only and to prevent waste, fraud, and abuse.

15.5.2 Persons & Offices Affected

The policies and procedures outlined in this document apply to all CARE Country Offices. It is the responsibility of personnel involved in the property register system to follow the policies and procedures herein.

15.5.3 Policy Detail

After a property item has been assigned a Property Identification Decal number, all information contained on the PRF–Receipt, Transfer or Disposal, as appropriate, is entered into the Property Register.

15.5.4 Procedure

The master Property Register will be maintained and centrally managed at the Head Office. It is recognized that sub-offices often handle their own procurement and property items can be transferred

from one sub-office to another. For these reasons, if property registers are maintained at sub-offices, any changes to sub-office property registers must be communicated to the Head Office at least once per month.

The Property Register, (format provided in Attachment 6), will contain the following information related to the receipt, transfer and disposal of each property item:

Property Identification Number
Property Description
Property Category
Serial Number
Property Location
Custodian
Donor Name
Fund Code(s)
Project Number(s) Purchased Under
Account Code
Percentage of Funding Sources
BIS License Number **`
Property Title Vestment
Acquisition Cost (USD)
Acquisition Date
Property Condition
Date of Property Disposal
Disposal Sale Price (USD)
Fair Market Value (USD)
Disposition

NOTE: ** Country offices operating in a country subject to a USG embargo are required to track in their property registers all items purchased or received on a BIS license (regardless of unit acquisition cost), as well as any US-origin electronic items that are exported from the US or re-exported from countries outside the US. There are additional, special reporting requirements for BIS License items. Refer to 15.7.4 for a complete list of information to be recorded in the Property Register for these items.

The department or unit responsible for managing the Property Register will keep a separate file containing all Property Register Forms (PRFs) in serial sequence as supporting documentation. In no instance shall an addition, change or deletion be entered into Register without an approved PRF.

The Financial Controller will be responsible for reconciling the receipts noted in the Property Register to the financial transactions on a quarterly basis:

- July – September: No later than 31 October
- October – December: No later than 31 January
- January – March: No later than 30 April
- March – June: No later than 31 July

The results of this reconciliation will be documented and approved by the Financial Controller.

The PRF-Receipt, Transfer and Disposal, and Property Register reconciliation will be retained for a period of seven (7) years after the close of the project.

15.5.5 Revision History & Associated Policy

N/A

15.5.6 Other Materials Providing Reference and Guidance

N/A

15.6 PROPERTY PHYSICAL COUNTS

15.6.0 Purpose

The purpose of this section is to establish policies and procedures for the physical counts of nonexpendable property.

15.6.1 Policy

CARE offices will perform an annual physical count and reconciliation to financial and other records of all nonexpendable property as of 31 May of each year and when a project closes, per donor requirements.

15.6.2 Persons & Offices Affected

The policies and procedures outlined in this document apply to all CARE Country Offices. It is the responsibility of employees involved in the property physical counts to follow the policies and procedures herein.

The Country Director will have overall responsibility for ensuring the property physical counts are complete, accurate, and conducted in accordance with the instructions provided.

The Administration Manager or equivalent will have responsibility for overseeing the property physical count and ensuring accuracy and compliance.

The CO Controller will have overall responsibility for ensuring general ledger property accounts are reconciled and updated based on property physical counts and provide assurance on the following

- A finance accountant has observed some physical counts.
- A finance accountant has observed a sample of recounts, when necessary, in the event inventory adjustments exceed a discrepancy threshold to be determined by the CO Controller based on risk.
- The physical count has been approved by the person delegated that

authority by the Country Director.

- All accounting transactions have been approved by persons acting within the scope of their authority and that transactions conformed to the terms of the authorizations.
- A finance accountant has reconciled the physical count.
- The general ledger has been adjusted to agree with the updated Property Register.

CARE's external and internal auditors may request to observe and verify a physical count. The auditors may also request documentation which provides evidence that a physical count was conducted. Accordingly, supporting documentation, defined in the Procedures section below, will be retained and made readily available upon request.

15.6.3 Policy Detail

The scope of the property physical count includes non-expendable property. The results of the property physical counts will be reconciled as follows:

- Property Items USD 500 < 5,000: If the unit acquisition cost of the property item is within this range, the items will be reconciled to the Property Register and not necessarily the General Ledger.
- Vehicles: All motorized vehicles with four (4) or more wheels, including sedans, 4WD vehicles, trucks, and lorries will be reconciled to the Property Register. This will include donated vehicles in which title is vested with CARE. In addition, a reconciliation of vehicles to the general ledger will also be done. Further guidance on reconciling these items to financial records will be provided by the CARE USA financial unit.
- Property Items USD 5,000 or more: All property items with a unit acquisition cost of \$5,000 or more, e.g. IT servers, large generators, rub hall tents, water bowsers, etc., will be reconciled to the Property Register. This will include donated property in which title is vested

with CARE. In addition a reconciliation of property items to the general ledger will also be done. Further guidance on reconciling items to financial records will be provided by the CARE USA financial unit.

Although physical counts will occur for commodities and non-food items, the policies and procedures related to those physical counts are defined in the Food and Non-Food Supply Chain Management Manual (to be released at a future date).

15.6.4 Procedure

Prior to the 31 May deadline, the unit or department responsible for Property Management will print the most up to date CARE Property Register. An employee, unit or department that is independent of property management, warehouse, stores or logistics, preferably an accountant or internal auditor will perform the physical count.

A Tally Sheet (Attachment 9) will be used to document the results of the physical count. The physical count will then be compared to the information contained in the Property Register.

With specific regard to vehicles and property items (USD 5,000 or more) a reconciliation of these items to the general ledger will also be conducted and documented by the Financial Controller. Further guidance on reconciling items to financial records will be provided the CARE USA financial unit prior to the physical count.

The following data must be entered on the Property Tally Sheet (Attachment 9):

- Property Location
- Property Description
- Property Identification Decal Number
- Serial Number
- Condition

If some of the information is not available, indicate N/A on the tally sheet.

The following data must be entered into the Vehicle Tally Sheet for each vehicle (Attachment 9). If this information is not available, indicate N/A on the tally sheet.

- Vehicle Location
- Vehicle Make
- Vehicle Model
- Vehicle Model Year
- Property Identification Number
- Serial Number or Chassis Number
- Condition

If some of the information is not available, indicate N/A on the tally sheet.

When the Country Director authorizes the Property and Vehicle Tally Sheets attached, the Country Director is certifying the following for all Country Office operational locations:

- All items were counted and reconciled by a non-custodian of the Property Register.
- Tally sheets are signed by the staff that performed the count and/or the employee's supervisor.
- The Country Office Property Register has been reconciled and updated based on the physical counts. If property items were missing or need to be included in the Property Register, a PRF-Receipt, Transfer or Disposal has been completed. As these are adjustments to the Property Register occurring during the annual physical count, approval by the Country Director is required. Note that missing property items detected during the physical count and reconciliation may indicate issues that require further investigation.
- The Country Office Property Register is complete and there are no property items that are not included in the Property Register.
- General ledger property accounts have been reconciled and updated based on updates to the Property Register.

- The reconciliation of general ledger property accounts to the physical count is documented.
- The condition of all items (functional / non-functional) is accurate.
- The required supporting documentation has been retained in Country Office and will be available for viewing by auditors.

If there are exceptions or further clarification required, the CARE office is to provide an explanation.

15.6.5 Revision History & Associated Policy

N/A

15.6.6 Other Materials Providing Reference and Guidance

N/A

15.7 PROPERTY MANAGEMENT FOR EMBARGOED COUNTRIES AND OTHER COUNTRY OFFICES THAT HAVE RECEIVED AN EXPORT LICENSE

15.7.0 Purpose

This section provides general property management and recordkeeping guidance for CARE operations in countries subject to a United States Government (USG) embargo and for other Country Offices that have received an export license authorizing a purchase or shipment. These procedures are necessary to comply with the Department of Commerce, Bureau of Industry and Security (BIS) regulations regarding the purchase and shipment (export and re-export) of certain US items. Current countries subject to a USG embargo are Cuba, Iran, North Korea, Syria, and Sudan.

This section is limited to property management and recordkeeping, and not the purchase of goods subject to BIS regulations, or applying for a license with BIS. Accordingly, it is necessary to also review the Procurement Manual and export policies and procedures applicable to purchases or shipments. Please contact CARE USA Legal or Procurement with any questions.

OFAC [Department of Treasury, Office of Foreign Asset Control]. OFAC enforces economic and trade sanctions to implement U.S. foreign policy and national security goals¹. Its requirements are separate and in addition to BIS, and covered in the Procurement Manual, CARE's antiterrorism policy and procedures, and export policies and procedures. Please contact CARE USA Procurement or Legal with any questions.

¹ OFAC enforces prohibitions against dealing with designated foreign countries, organizations or entities, including terrorists, narcotics kingpins, dealers in weapons of mass destruction and other specially designated persons. OFAC sanctions vary by country and program, ranging from targeted restrictions to comprehensive prohibitions on essentially all dealings with sanctioned persons or companies. Even though OFAC restrictions apply primarily to transactions and funding by "U.S. persons", some restrictions stretch to all CI Members. OFAC prohibitions change quickly and must be regularly monitored. CARE may be required to get licenses in advance from both OFAC and BIS in order to procure and ship certain items to or from USG embargoed countries.

15.7.1 Persons & Offices Affected

These procedures apply to all CARE Country Offices that have obtained an export license. Most affected are country offices operating in the USG embargoed countries and other country offices considering purchases or shipments from those countries.

The restrictions apply to all CARE funding sources, without regard to whether the funding is from the USG or not.

15.7.2 Policy

CARE complies with BIS regulations prohibiting the shipment or purchase of certain US items without prior USG permission.

BIS enforces the Export Administration Regulations (EAR), which regulate the purchases and shipments [export from the US and re-export from countries outside the US] of most US-origin commercial items. Export restrictions apply depending on: (a) who is shipping the item, (b) who will receive it, (c) to what country will it be sent, (d) from what country will it be sent, (e) the type of item, including details on its capacity or sophistication and (f) its planned use. The answers to all those questions determine whether the shipment requires prior USG approval (a BIS license). Items are considered US-origin if any of the following apply: they (a) are US brands, (b) are shipped from the US; and (c) contain a certain percentage of U.S. parts and/or technology. For shipments to or purchases in embargoed countries, items containing 10% or more US parts and/or technology are controlled. For other countries, items containing 25% or more U.S. parts and/or technology are controlled.

As stated in CARE's Procurement Manual, those items commonly purchased by CARE that will likely require a BIS license, and require detailed property management and recordkeeping controls, include the following:

- Electronic or high-tech equipment, e.g. computers, servers, switches and routers, laptops, satellite phones, radios, solar generators or batteries, that are a U.S. brand [regardless where it is made or

manufactured] or depending on the destination country 10% or 25% or more US parts and/or technology.

- Any software (including by download) to an embargoed country. For other countries, software using normal encryption may only require a notice to BIS, software containing higher level encryption or having military style capability might require a BIS license.
- Any products or services to be shipped out from a USG embargoed country to any destination (e.g., Iranian blankets shipped to Afghanistan) or
- Any military, police or crime control items (e.g. body armor, bulletproof vests, vehicle armor or night vision goggles), to any country.

Country offices shall not exceed the quantities of items approved under a BIS license. The management and recordkeeping of items purchased under a BIS license must comply with all conditions of the license. These conditions include maintaining the necessary records concerning the receipt, distribution and security of the goods, including invoice, bill of lading or airway bill, packing slip, verification of delivery and installation, as well as the specific property records stated below. Records also include all the documentation that relate to the importation, storage and delivery of the licensed goods, including any correspondence via letters and e-mails.

15.7.3 Procedures

Country offices in a country subject to a USG embargo are required to track in their property registers all items purchased or received on a BIS license, as well as any US-origin electronic items that are exported from the US or re-exported from countries outside the US. The following requirements apply:

A. Receipt, Property Management and Recordkeeping Requirements

- CARE USA Procurement Unit will notify the Country Office when the shipment of BIS-licensed items leaves the U.S.

- The specific BIS license number must be placed on every purchase order, invoice, and shipping document relating to the BIS-licensed items, whether the items are being shipped to or from the U.S. In addition, shipping documents must use the Export Control Classification Number (ECCN) identified on the specific BIS license.
- The following destination control statement must appear on all bills of lading, airway bills and commercial invoices involving either licensed items being exported from the U.S. or U.S. products being re-exported from one country to another: “These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U. S. law is prohibited”.
- Within thirty days of delivery of each licensed item, the Country Office must send a confirmation to the CARE USA Procurement Unit that the item has been received and installed.
- All items purchased and received under the license as well as any US-origin electronic items that are exported from the US or re-exported from countries outside the US, must be clear on property registers and tracked to ensure compliance with the applicable BIS license and overall compliance requirements, and most include at least the following:
 1. Clear description of licensed item (i.e. “laptop,” “monitor,” “server’, etc.)
 2. Manufacturer
 3. Model number
 4. ECCN [Export Control Classification Number]. This will be on the BIS License next to each item
 5. List software on computers or other electronics (if applicable).
 6. Where purchased
 7. Purchase price
 8. Purchase date
 9. Origin of shipment (shipped from the CARE USA Procurement Unit)
 10. Date the item was shipped into the destination country

- The Technical Advisor – Inventory Management may require quarterly property reports to comply with BIS and other USG requirements, and the detailed inventories help fulfill these requests.

B. BIS License Limits

- Licensed items are only for CARE use.
- Keep licensed items in a secure location, within CARE control. If a workstation will be abandoned, lock up, remove or destroy the equipment, unless not practicable due to personal security situation.
- System upgrades or enhancements of BIS-licensed items require further BIS approval, even if they can be obtained by downloads.
- There will be no resale, transfer (including gifts), or re-shipment of any BIS-licensed item without further BIS approval. This also applies to transfer of items to partners, sub recipients, beneficiaries, or other organizations.
- At the end of the useful life of the licensed item, items can only be transferred with prior BIS approval. Any proposed end-user must first be checked through the Bridger Insight system as defined in the Procurement Manual, Chapter 10.
- No item, software, or technology of any kind can be provided to:
 - any military or police authorities, or the Government of an embargoed country without prior BIS approval.
 - any individual or entity that CARE has any reason to believe might use it for nuclear, chemical, biological or missile-related end use.
- Specific licenses may have other restrictions.

15.7.4 Other Materials Providing Reference and Guidance

<http://www.bis.doc.gov/policiesandregulations/index.htm>

Attachment 10 – BIS Export License

Attachment 11 – Export and OFAC Requirements For Sudan (as of 4 August 2009)

15.7.5 Revision History & Associated Policy

N/A

15.7.6 Other Materials Providing Reference and Guidance

N/A

15.8 SUPPLIES

15.8.0 Purpose

The purpose of this section is to establish policies and procedures for the management of supplies.

15.8.1 Policy

For CARE Country Offices that maintain bulk supplies, offices will maintain a control system to ensure adequate recordkeeping of and safeguards for supplies to ensure adherence to CARE best practice and donor requirements as well as to reduce risk of loss, damage or theft.

15.8.2 Persons & Offices Affected

The policies and procedures outlined in this document apply to all CARE Country Offices. It is the responsibility of employees involved in supply management to follow the policies and procedures herein.

15.8.3 Policy Detail

Country Offices should weigh the benefits of having consumables available in CARE stores and the management burden and risk associated with maintaining such stocks. Local market conditions, Country Office needs and capacity all need to be considered.

The bulk storage of supply items, e.g. stationery, spare parts and other items that are used or consumed during the course of program or program support activities is discouraged. The CARE office will do an assessment in conjunction with the DRD-PS in their region to determine if the management time required to manage supply items is efficient and effective. At the conclusion of the assessment, the CARE office may determine that bulk purchases of supply items are not required as most items are readily available in local markets and can be purchased quickly. As described below, maintaining bulk supply items will require rigorous oversight and monitoring; management time, risk of misappropriation and audit findings may increase.

If the CARE office determines that storage of bulk supplies is not required, the department or project in each location could maintain *a very small amount* of supply items, under the control of a staff person associated with each project or department. In this scenario, the employee will simply dispense items as needed. As the quantity, values and risks of these small “stores” are very low, no formal receipt and dispatch of items is required. Restocking of such stores is done via normal procurement systems initiated by the project or department.

To minimize risk in these instances, the quantity level of supplies should be kept very low, and only stocked with fast moving items that are used during normal course of business: paper, pens, staple wires, pencils, etc. Also, if vendor supply of spare parts is timely, there is no need to maintain spare parts in a store.

Managers will monitor usage of supply items through appropriate budget monitoring and Purchase Requisitions to avoid misuse of resources.

15.8.4 Procedure

As supply items are used or consumed during the course of program or program support activities, they are not assigned Property Identification Decal number and are not managed through a property register.

If a CARE office determines that bulk purchase of supply items is required, it is important that only those items which are absolutely necessary for efficient operation and are “fast moving”, are purchased in bulk. Specialty items; items used on an occasional basis; or those items that are not required for immediate use, should not be maintained in a store. Instead, such items should be procured on an “as need” basis. The following minimum system should be used when managing a warehouse for supply items.

A. Receipt of Supply Items

When a supply item is received into a CARE storage facility, e.g. warehouse, store, etc, a Stores Receipt & Disbursement Form (SRDF), (Attachment 7), which is a pre-numbered form that provides sufficient

information for supply recordkeeping, is completed and approved. The form is prepared in duplicate:

- Original SRDF – Is maintained serially as the supporting document for the Warehouse Register.
- Copy 1 is maintained as the book copy.

The employee, unit or department that prepares the SRDF will ensure that the items received reconcile with supply delivery documents, e.g. General Receipt Note (GRN), Waybill, or other documentation as appropriate.

Following the completion and approval of the SRDF, the Store Register is updated as follows:

Store Register, (Attachment 8): The Register provides information on each supply item and will reconcile with the Stores Receipt & Disbursement Forms. It is updated with each receipt. A copy of the Register may be used as the supporting documentation for reordering various store items.

B. Disbursement of Supply Items

When a supply item is disbursed from a CARE storage facility, e.g. warehouse, store, etc, a Stores Receipt & Disbursement Form (SRDF) which is a pre-numbered form that provides sufficient information for supply recordkeeping, is completed and approved. The form is prepared in duplicate:

- Original SRDF – Is maintained serially as the supporting document for the Warehouse Register.
- Copy 1 is maintained as the book copy.

It is the responsibility of the staff person requesting store items to complete the SRDF to include Description of Item and Quantity Requested and sign as Requester.

Upon receipt of the SRDF, the employee responsible for the store will complete the quantity of the items disbursed on the form, sign and provide the items(s) requested. The original requestor will sign to show receipt of the item(s).

Following the completion and approval of the SRDF, the Store Register is updated as follows:

Store Register, (Attachment 8): The Register provides information on each supply item and will reconcile with the Stores Receipt & Disbursement Forms. It is updated with each disbursement. A copy of the Register may be used as the supporting documentation for reordering various store items.

C. Disposal of Supplies

For unused supplies that are maintained in storage and have a total aggregate value of USD 5,000 or less, and are no longer needed by the project or program activity, the CARE office may use the items or dispose of the supplies per the Supply procedures outlined herein. *The process assumes that donor regulations allow the use or disposal of supplies and the total aggregate fair market value of the residual unused supplies does not exceed USD 5,000 or local currency equivalent.*

Sales Proceeds for Supplies with a sale price greater than USD 5,000 (USG): For U.S. Government funded supplies, if the residual total aggregate value exceeds USD 5,000 and the supplies are not needed for any other federally-sponsored project or program, CARE shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal Government for its share. Refer to U.S. government regulations for the computation of the value.

15.8.5 Revision History & Associated Policy

N/A

15.8.6 Other Materials Providing Reference and Guidance

N/A