



COMMISSION
ON HUMAN
RIGHTS

ASSET MANAGEMENT GUIDELINES FOR EXTERNALLY- FUNDED PROJECT

PREPARED BY

Project Management Division

Planning and Management Office

RATIONALE

It is a policy of an organization/institution that all the resources of the government shall be managed, expended, or utilized in accordance with the provision of existing related laws and/or regulations, and safeguarded against loss or wastage through unlawful or improper disposition, with the aim to efficiently and effectively ensure the operations of the institution.¹

Similarly, institutions providing support to externally-funded projects (EFPs) of government agencies like the Commission on Human Rights (CHR), have laid down rules and/or policies on acquired resources. It is a common provision among funding institutions that assets procured using funds from EFPs should be kept and maintained for the advantage and proper use of the beneficiary agency.

It is in this regard that the Project Management Division (PMD) prepared this **Asset Management Guidelines for Externally-Funded Project** to ensure that the above contexts are recognized and carried out accordingly. It is imperative that assets procured through the support from EFPs are well-managed, maintained, utilized, and disposed properly when necessary.

This policy was devised to guide the end users (EUs) and/or implementing offices (IOs) on what, when, and how to carry out properly the acquisition, issuance, monitoring, and recording of all the resources procured through EFPs. This shall serve as an internal control system to mitigate the risk of handling the EFP-acquired assets not in accordance with project rules.

The PMD, in coordination with the General Services Division-Asset Management Unit (GSD-ASMU), shall ensure the proper implementation of this policy.

GUIDING PRINCIPLES

Accountability

Public office is a public trust. Officers and employees of the CHR must at all times be accountable to the people by serving them with integrity and efficiency.²

Property accountability is the obligation imposed by law for keeping accurate record of property. The person who has been given this responsibility may or may not have the actual possession of the property. Property responsibility is the obligation of an

¹DSWD, AO #06, series of 2017

²Art. XI, Sec. 1 of 1987 Philippine Constitution)

individual for the custody, care, and safekeeping of property entrusted to him/her under his/her supervision.³

In this policy, **Asset** shall refer to either property or equipment acquired under the EFP. **Property** shall refer to buildings and/or facilities constructed and/or refurbished. **Equipment**, on the other hand, shall refer to office equipment, ICT (information and communications technology) equipment, furniture and fixture, and other machinery.

All assets acquired, donated, transferred, and obtained from a particular EFP shall be accounted for and reported in the annual inventory of the project's asset registry and the GSD-ASMU as well.⁴

Functions shall be segregated to install a check-and-balance mechanism in which the PMD, in coordination with the GSD-ASMU, shall strengthen an internal control system on the matter together with the different Regional Offices of the CHR.⁵

- The employee/officer is accountable for the physical custody/possession of the asset/s entrusted to him/her.
- The concerned or recipient employee/officer accountable for asset/s acquired through EFP shall be liable for the money value in case of improper or unauthorized use or misapplication thereof by him/herself or any person for whose acts s/he may be responsible. S/he shall be likewise held liable for all losses, damages, or deterioration occasioned by negligence in the keeping of or using the asset/s, whether or not at the time of his/her actual custody.⁶
- The concerned or recipient employee/officer has the obligation to carry out the responsibility to safekeep asset/s acquired through EFP which are under his/her custody, and shall only be extinguished upon return/turnover, or in case of loss or damage, upon approval of the request for relief from accountability, or payment of the money value.⁷
- The concerned or recipient employee/officer should exercise due diligence in the safekeeping and safeguarding of the asset/s under his/her custody, and use the same for official purposes only.

³ CHR-UNDP-CPRM Report, 4.1.12, October 2003

⁴ CHR-UNDP-CPRM Report, 2.1.6, October 2003

⁵ CHR-UNDP-CPRM Report, 2.1.8, October 2003

⁶ Sec. 105 (1), P.D. 1445

⁷ DSWD, AO #06, series of 2017

Issuance, Utilization and Custodianship of Asset under EFP

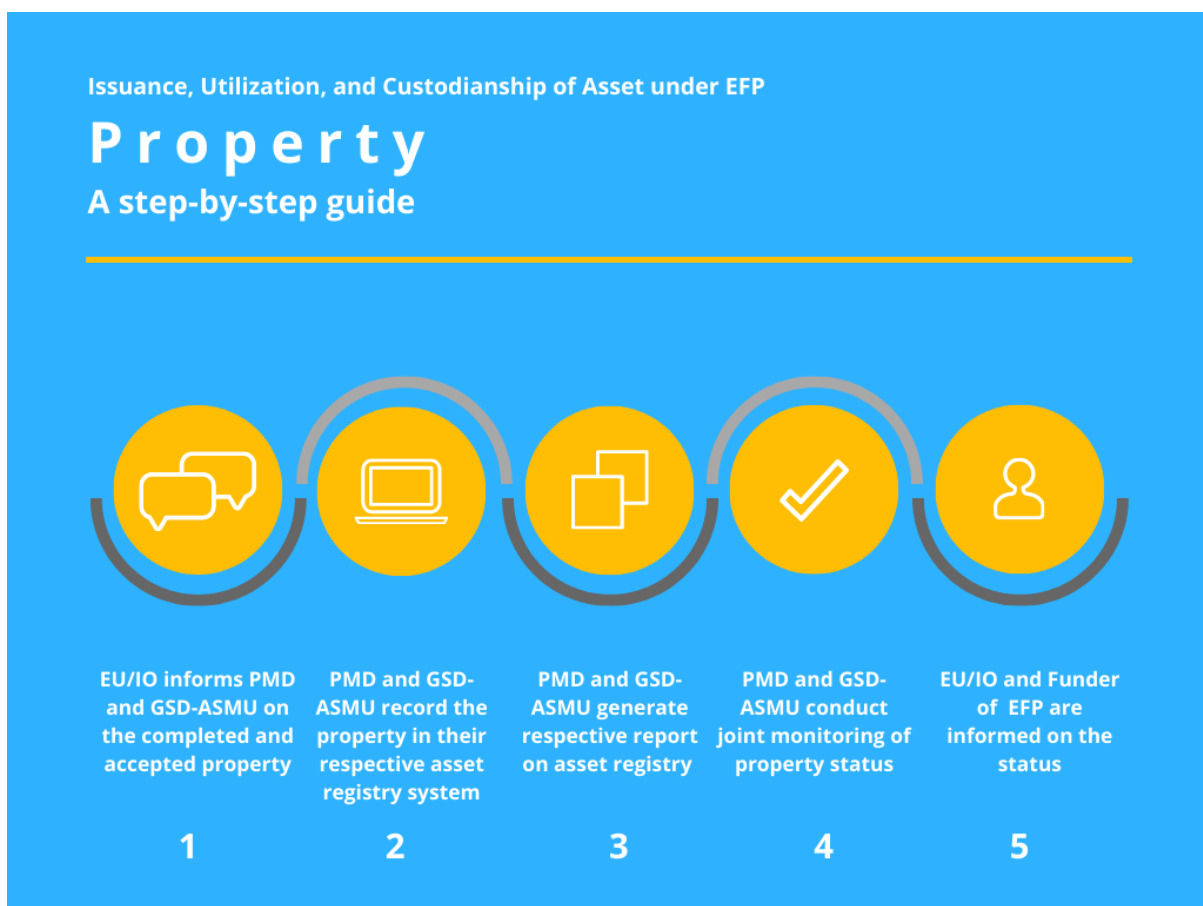
The PMD and GSD-ASMU shall document properly all EFP-acquired assets. They shall be classified and recorded accordingly whether building, facility, office equipment, ICT equipment, furniture and fixture, and other machinery.

The issuance of equipment to CHR officials/employees shall be based on the approved Requisition and Issue Slip (RIS) and Purchase Request (PR). The GSD-ASMU, in coordination with the PMD, shall provide the *Property Accountability Receipt (PAR)* for assets which meet the capitalization threshold of PhP15,000, and *Inventory Custodian Slip (ICS)* for semi-expendable assets which fall below the capitalization threshold of PhP15,000 to CHR employees/officers, including those with casual, coterminous, and contractual status. The renewal of PAR shall be done automatically every two (2) years after issue or every time there is a change in accountability or custodianship of the property.

The succeeding details are the process flows corresponding to the acceptance, recording, issuance and monitoring of assets:

A. Property

After full completion of construction/refurbishment and acceptance of a property under an EFP, the following shall be undertaken:



B. Equipment

After going through the required procurement process for equipment under an EFP and delivery is scheduled to commence, the following shall be undertaken based on the GSD Property Management Process Flow:



Upon issuance to EU/IO, all EFP-acquired assets shall be properly identified. A uniform property identification system shall be done for easy recognition of assets. The GSD-ASMU, together with the PMD, shall label all EFP-acquired assets with a property sticker/tag. The property sticker/tag for EFP-acquired assets shall contain the following vital information for easy identification:

- ✓ Brief description of the asset, including identification of particular EFP it was acquired from
- ✓ Model Number
- ✓ Serial Number
- ✓ Property Number
- ✓ Acquisition Date
- ✓ Accountable employee/officer

The property sticker/tag containing the aforementioned information shall be attached or placed in the most noticeable, but secure space/part of the asset. The GSD-ASMU, in coordination with the PMD, shall assign specific for assets acquired under a particular EFP with the following format:

CHR-(EFP code/initials)-(kind of asset)-(year acquired)-(control number)

For example, if an ICT equipment is procured under the GOJUST Human Rights Project 2, then the code shall be CHR-GJ2-ICT-2021-001.

Transfer of Custodianship

EFP-acquired assets issued to employees/officers shall be turned over/surrendered to GSD-ASMU with proper notification/information to PMD in the event of transfer, resignation, retirement, or personnel movement.

In case of transfer of EFP-acquired assets from one accountable employee/officer to another, the original accountable employee/officer shall duly inform the GSD-ASMU which shall cancel the old Memorandum Receipt (MR) and issue a new one for the next custodian.

Return of Equipment

The accountable employee/officer who shall return an EFP-acquired equipment shall submit an IAR to the GSD-ASMU and copy furnish the PMD. The IAR shall be duly commented and noted by the concerned technical unit, such as the Management Information Systems Division (MISD) for ICT equipment, to determine whether the returned item is still serviceable or not.

In the event of damage or loss while the equipment is in the custody of the accountable employee/officer, an **incident report or proper documentation** shall be submitted to the GSD-AMU and copy furnished the PMD. The GSD-ASMU and PMD shall conduct an evaluation and/or investigation of the incident. Should the event be assessed and concluded that there was negligence on the part of the accountable employee/officer, then the said concerned individual shall reimburse the money value of the item to the EFP. The PMD, in coordination with the CHR's Financial Management Office (FMO), shall facilitate the payment process.

Disposal of Equipment to CHR Officials

As a general rule, all EFP-acquired assets shall remain with the CHR for its benefit and official use. However, in view of lawful exemptions granted to the CHR by virtue of its creation under the 1987 Philippine Constitution, members of the Commission en Banc

(CeB), the Executive Director, and Directors are entitled to acquire the equipment issued to them for recognition of their significance and services rendered subject to the following conditions and/or requirements:

1. Completion of terms of office in the case of the CeB.
2. Separation from the CHR due to compulsory retirement from service.
3. The EFP-acquired equipment is issued to the concerned official for three (3) years or more.
4. The EFP-acquired equipment is not vital for operational transactions, such as for purposes of the Bids and Awards Committee (BAC), investigation, production of IEC (information, education, and communication) materials, among others.
5. Submission of letter/memorandum request addressed to the Head of Agency for approval at least six (6) months prior to the expiration of term of office, including the PAR to support the custodianship of the subject EFP-acquired equipment.
6. The GSD-ASMU shall provide the PMD with the following documents to support the disposal of the EFP-acquired equipment:
 - Report on the Physical Count of Property, Plant, and Equipment
 - Complete technical description of the equipment
 - Acquisition cost and date
 - Operational date of the equipment
 - Repair history/appraisal report
7. The PMD shall record the disposed EFP-acquired equipment in its asset registry for reporting to the funding institution as necessary.
8. EFP-acquired equipment costing more than PhP15,000 per the original asset registry of the PMD and GSD-ASMU shall be disposed of through sale based on the depreciated value as determined by the FMO.
9. EFP-acquired equipment costing below PhP15,000 per the original asset registry of the PMD and GSD-ASMU shall be accorded as token of appreciation to the concerned official.
10. The PMD shall coordinate with the FMO on the payment process.
11. Proceeds from the sale of the EFP-acquired equipment shall be deposited to the CHR's trust fund account for possible procurement of replacement to the disposed item.