



Secretariat

ST/AI/374  
16 January 1992

ADMINISTRATIVE INSTRUCTION

To: Executive and administrative officers

From: The Under-Secretary-General for Administration and Management

Subject: PROPERTY RECORDS AND INVENTORY CONTROL UNDER REVISED  
DEFINITION OF NON-EXPENDABLE PROPERTY

Purpose

1. The purpose of the present instruction is to set out the revised guidelines and procedures relating to the maintenance of property records and inventory control at all United Nations offices and all projects executed by the United Nations. The guidelines and related procedures detailed below include a new definition of non-expendable property. Effective 1 January 1992, the present instruction supersedes administrative instruction ST/AI/208 and Amend.2 of 23 December 1971 and 2 June 1983, respectively.

New definition of non-expendable property

2. Under the new definition, non-expendable property consists of items of property or equipment valued at \$1,500 or more per unit at the time of purchase and with a serviceable life of five years or more. Accordingly, the minimum dollar value of non-expendable property or equipment has been raised from \$500 to \$1,500, subject to the provisions of the present instruction. Property and equipment with an original cost of under \$1,500 is classified as expendable.

Maintenance of property records

3. As a consequence, certain revised procedures and authorizations, as elaborated below, are to be put into effect by all offices and projects.

(a) Non-expendable property:

- (i) Property records and controls will be maintained for all items of property and equipment with an original purchase cost of \$1,500 or more, exclusive of additional charges such as freight and insurance and with a serviceable life of five years or more. However, if the relevant procurement and/or shipping documents show only a purchase cost that includes such additional charges, the inclusive cost may be used as the purchase cost;
- (ii) At Headquarters, property records and controls will be maintained for the most part by the Buildings Management Service, Office of General Services, but some decentralization of this responsibility may be authorized, as in the past, by the Assistant Secretary-General for General Services, under the provisions of financial rule 110.25 governing the receipt, management and disposal of supplies, equipment and other property;
- (iii) At offices and projects away from Headquarters, the authorizations for decentralization that have already been issued by the Assistant Secretary-General for General Services will continue to apply and may be amended, as in the past, as necessary;

(b) Expendable property. Property records and controls are not required to be maintained for expendable property:

- (i) With an original purchase cost of less than \$1,500;
- (ii) With an original purchase cost of \$1,500 or more but with a serviceable life of less than five years, except as specifically required under the terms of subparagraph (c) below in respect of special items. However, property records and controls may be maintained, at the discretion of the head of the office or department concerned, for expendable property when such controls are deemed necessary for the efficient management of the operation concerned (e.g., equipment spare parts, technical equipment, replacement items such as video tubes, tires and maintenance tools);

(c) Special items. Notwithstanding the above, property records and controls will be maintained for certain items of property described in subparagraph (b) (i) and (ii) above:

- (i) Property considered to be of an attractive nature and having a minimum value of \$500 or more (cameras, computers, calculators, facsimile machines, televisions, etc.);
- (ii) Property issued against property receipts.

#### Determination of special items

4. In accordance with financial rule 110.25 (b), the Assistant Secretary-General for General Services, in consultation with the Controller, will determine which items are to be treated as special items:

- (i) At Headquarters, this determination and any subsequent changes thereto will follow from recommendations to be made by the departments concerned, in consultation with the Buildings Management Service, Office of General Services;
- (ii) At offices and projects away from Headquarters, the recommendations will be formulated in accordance with arrangements to be established by the heads of those offices, using as a guideline the Headquarters pattern described herein and any further direction offered by the Assistant Secretary-General for General Services, in consultation with the Controller.

#### Disposal of special items

5. In addition to the existing procedures of the property survey boards referred to in financial rules 110.32 on the reporting of deficiencies and surplus property, 110.33 on property survey boards at locations away from Headquarters and 110.34 on local survey boards, the disposal of special items that have become surplus to operating requirements or unserviceable through obsolescence or normal wear and tear will be reported to the board concerned. This action may be taken ex post facto for the sake of administrative efficiency, provided that any such ex-post-facto reports should be made no less frequently than semi-annually.

#### Loss and damage to special items

6. The related existing procedures of the property survey boards will apply in the case of loss of, and damage to, special items.

#### Inventories

7. In accordance with financial rule 110.26, a physical inventory will be taken at such intervals as deemed necessary to ensure adequate control over property. The Buildings Management Service, Office of General Services, will be responsible for conducting the physical inventory of non-expendable property throughout the Headquarters area.

#### Personal issues

8. The present instruction does not affect existing procedures, pursuant to financial rule 110.29, in respect of property records and controls covering the issue of property for the personal use of individuals.

Application of financial rules 110.25 and 110.26

9. The present instruction does not modify in any respect the application of financial rule 110.25 and 110.26 on physical inventories regarding the responsibility for maintaining property records, the designation of officers responsible for the records and officers accountable for the property, the conduct of physical inventories and the responsibility therefore.

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