OPHCD

Organization for Promotion of Health & Community Development

Inventory and Fixed Asset Management Manual 2018

Organization for Promotion of Health and Community Development

OPHCD

Organization for Promotion of Health & Community Development

Revised on January 2025

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1. ABOUT OPHCD

1.1. Introduction and legal status:

Organization for Promotion of Health & Community Development (OPHCD) is a non-government, non-profit, non-political, impartial and independent organization registered with:

- The NGOs Department of the Ministry of Economy of the Government of Islamic Republic of Afghanistan with license No 4160
- The Ministry of Public Health of the Government of Islamic Republic of Afghanistan with the registration No 762 and 1152

The organization established to serve the community and advocate for better coordinating and directing the available resources and activities for provision of quality services to the communities with an equitable manner. OPHCD, as a non-governmental organization committed for a joint mission with having dedicated and expert staff in public health, Water Sanitation and Hygiene, education, community development as well as volunteers who have been working in technical and managerial positions with national and international NGOs since more than one and half decade.

The members of the Board of Directors, senior Management Team (SMT) as well as the volunteers of the organization having appropriate experience, dedication and voluntarism which is a professional contribution to the health, education and development sector for achieving of more sustainable results. The core staff of OPHCD have more than one and half decade of successful experience of being directly involved in **developing** different policies and strategies as well as **designing** and **implementation** of projects in the areas of health, WASH, education and community development sectors such as; Primary Health care (PHC), Basic Package of Health Services (BPHS), Essential Package of Health Services (EPHS), Water & Sanitation and Hygiene, Primary education and Literacy programs, youth awareness and development, Public Nutrition, emergency preparedness and response and disaster risk reduction, trainings and coordination of different humanitarian Aids. Furthermore, the SMT and core Technical, Administration and Finance staff of the organization have up to date knowledge and rich experience of Grant Management, Project Management as well as conducting professional tasks of supportive Supervision, Monitoring, Evaluation, and Researches. Likewise, developing and on-time reporting (monthly, quarterly, annual, end of project and ad-hoc reports) to the donors and stakeholders, presenting the results of the aforementioned programs at the community, organizational, national and international levels are the expertise of the organization's technical and administrative staff.

1.2. Vision

An empowered society with sustainable and self-reliance health, social and economic stability at the community level.

1.3. Mission Statement

OPHCD, as a non-governmental organization is striving for well-being of the society with promotion of health and sustainable development of the communities through advocating for better coordinating and directing the national policies and strategies as well as available resources and activities for provision of quality health, educational, social safety, human right and social welfare, economic, environmental and development services to the communities with the focus on the women and children, drugs users, IDPs and other marginalized group of the society with an equitable manner.

1. Introduction

1.1. Purpose of the Manual

This manual outlines the policies, procedures, and guidelines for effective inventory and fixed asset management within the organization. It aims to ensure accountability, transparency, and efficiency in managing all goods and assets throughout their lifecycle. It serves as a reference for staff and management to implement best practices and comply with donor and regulatory requirements.

1.2. Scope

This manual applies to all staff involved in the procurement, storage, handling, usage, and disposal of inventory and fixed assets across the organization. It encompasses all departments, field offices, and partners where the organization's inventory and assets are utilized.

1.3. Applicability

The manual is applicable to head office, provincial offices, and all project sites. It shall be reviewed each 5 years to ensure relevance and alignment with operational changes.

1.4. Definition and Abbreviations

- **Inventory**: Goods held for consumption or distribution.
- **Fixed Asset**: Long-term tangible property (e.g., buildings, vehicles, furniture and fixtures, IT equipment).
- **GRN**: Goods Received Note
- **GDN**: Good Distribution Note
- **IRR**: Inventory Receiving Report
- **Waybill**: Receipt of Goods delivered through transport.

2. Governance

The Manual ensures clear segregation of duty among different staff and departments for transparency and accountability. The main aim is the goods of any kind inventory or fixed asset, should properly be handled, distributed and used. The movement of fixed assets should be trackable and the end-user consumption of the consumables should also be clearly and transparently traceable.

The segregation of duties under this manual for OPHCD main and provincial offices is as follow:

- **Logistics/Inventory Officer:** Manages day-to-day inventory transactions, including receiving, recording, and issuing items as well as the position is responsible for asset tracking, tagging, and ensuring updates to the fixed asset register.
- **Stock Keeper:** Manages day-to-day inventory transactions, including receiving, recording, and issuing items.
- **Finance Department:** Maintains up-to-date financial records, ensures proper valuation, and supports audits.
- **General Staff:** Responsible for the correct usage of distributed inventory and reporting issues.
- **Internal Audit:** Periodically assesses inventory and asset controls, reporting findings to senior management.

1. POLICY.

The Administration Department effectively manages all material assets of the organization through systematically receiving and issuing purchased goods, accurate documentation, maintaining records in the Inventory Database and efficiently managing records.

2. PROCEDURE.

1. The Administration Department:

a. Prepares and maintains documentation for all materials and equipment of the organization received and issued in the Inventory Database (Store Section) and manually in the stock book.

b. Supervises all materials and equipment in the different sections/departments of offices and supervises and protects materials/equipment in the stores;

c. Distributes stock when needed and issues all expendable and non - expendable materials and equipment according to policy and procedure of OPHCD;

d. Ensures adequate transaction of documents with all offices; arranges documentation for materials and equipment issued to offices and follows up on their arrival and receipt by the related office/s, and periodically visits offices and project locations to check the physical materials.

e. Prepares records of damaged equipment/resources and arranges repairs or sales.

f. Liaises with offices and Logistics Department and seeks technical support and assistance in relation to the Automatic Identification System (AIS) in offices;

g. Prepares Asset Cards for the non-expendable items with technical details;

h. Prepares daily monthly, quarterly, bi - annually and yearly reports of Inventory department using the Inventory Database.

2. The physical verification of stores will be done on continuous basis by a responsible person under a program in such a way that each item in the store is verified once in three months. Coding includes collections of numbers and sums that are used in the regulation and recording. stock, projects etc. making reporting easier and preventing mistakes and wastages of time. Coding categorizes items in a systematic way. Coding is done on the non-expendable items.

3. PROCEDURE.

1. All items are coded. Coding for stock whose codes are not present in the system is done by the Inventory Officer at Central Office.
2. For types of coding (see Appendix F12).
3. for each item code there is only one name regardless of the language of the user.
4. An item is not coded if it has already been coded; the code is present but the shape, color, size, estimation and its price are different from the code; details are not understandable for coding; its code is not present in the system and its price is less than 50 Afghani.

4. POLICY.

The Inventory Officer at the Administration Department in coordination with the Logistics Department is responsible for receiving and recording new materials and equipment efficiently and transparently.

5. PROCEDURE

1. All new purchases are checked according to the Purchase Requisition Form, invoice, and checklist. This is done in the presence of admin officer and store keeper if the items are to be stocked and/or are spares. Purchase order should be prepared and all the relevant specification of any item purchased should be available on the purchase order. The item received shall be cross verified with purchase order
2. A Store Receipt Voucher (either for expendable or non-expendable items – (see Appendices F1 and F2) is completed by the Inventory Officer for the new purchase and two copies are made: One original is kept in the admin department's record file One copy is attached to the invoice and sent to the Finance Department. One copy is sent with the Store.
3. The Store Receipt Voucher form is checked by the Central Office Administration Officer and then is computerized by the Inventory Officer.
4. materials and equipment are given codes and registered in the main Inventory Database as stock.
5. Expendable items that after purchasing are not registered and entered in the stock book and

2. **Inventory Database are as follows:**

Materials for repairing and painting offices and clinics some materials for fixing the power system; fuel for cooking;

materials for repairing the cars, motorbikes, generator and other machines (These items are recorded by IT and transport section); crockery; other items as confirmed by the Operations Director

1. The Inventory Department stamps the bills of the items (in number 5 above) after checking the materials physically and passes the bills to the Finance Department.
2. non-expendable items are registered as assets in the Inventory Database. There is an asset card for each non expendable item
3. All information on the Store Receipt Voucher analytical code (project, budget line, sector, program and job) of the purchased materials/equipment are entered in the Inventory Database.
4. Donations in kind items are treated the same as newly purchased items. The value of the donation in kind shall be either obtained from the donor or shall be identified from market as per the circumstances
5. In exceptional cases, if goods arrive at the Inventories Department and all documentation has not been completed, a copy of the Purchase Order may be signed by the Inventory Officer to validate the release of goods until the documentation arrives.

3. Maintaining the stock book

1. PROCEDURE

4.1.1. The Stock Book (Appendix F9) is a tool used to verify and clarify the balance of items in the

AIS store.

4.1.2. Only those stocks which are submitted to the person in-charge of the Store by the Inventories Department are recorded in the Stock Book and then placed in storage.

3.The Stock Book records every item, the quantity received, the date of receiving, the number of the receipt, its location and it is added to the previous balance.

4.1.3. When an item is distributed, its date of distribution, the number of the distribution receipt and its location is recorded in the book and it is subtracted from its previous balance

4. Receiving stock

5.1. PROCEDURE

5.1.1. Receiving goods/equipment/materials involves receiving, recording and placing goods in an adequate facility (storing).

5.2. All stock is received on the basis of:

i.Purchase Requisition
ii.Purchase Order
iii.Checklist and Issue Voucher
iv.Personnel card

5.3. Stock is recorded before distribution. The person recording the stock checks that:

- the Purchasing Requisition form is available and completed, and indicates for which project the goods are requested, for which department and who requested;
- Purchase order is available and the order contains the details of the items requested;
- the invoices contain the same details - the number, date, prices and type of goods requested - as the Purchasing Requisition form;
- the condition quantity and quality of goods comply with the Purchasing Requisition form;
- If the goods are sent by the donor or an office, the checklist includes the number, specification and sender details;

5.4. When goods are received back from office staff, they are checked for consistency with the personnel card or stock List.

The officer in-charge of stores places the goods in proper storage after they have been received and recorded. The copy of received document is given to the employee who handed over the goo.

5. Expendable and non-expendable (assets)

6.1. POLICY.

The Inventory Accounting Department divides all materials and equipment into two main categories:

6.1.1. Expendable

Expendable materials and equipment are those items whose price is less than 200 USD and whose life is less than one year.

non-expendable

6.1.2. Non-expendable materials and equipment are iteming whose price is more than 10,000 AFN

and whose life is more than one year.

➢ If the items No 2 become the integral part of machinery equipment or building construction materials, (for e.g., use for repairing or as part of equipment's or buildings); in this case they are not non expendable items. Any expenditure that will result in an increase in useful life of asset shall be non -expendable and shall be capitalized in the cost of the non - expendable.

➢ Furniture includes set or single according to the specification no. 2 are non- expendable assets.

2. PROCEDURE

6.2.1. All non-expendable assets are recorded in the AIS and depreciation is calculated on straight line method from the date that the item is recorded as an asset in AIS.

6.2.2 The deletion process of the non- expendable items in Store AIS System is doing by

6.2.3. Offices Inventory Departments. But before performing of the process, they should get the approval of OPHCD's Main Office authorized person.

6.2.4. All non-expendable assets related to projects are returned to the donors according to the

project agreement.

6.2.5. OPHCD will use for other projects all non-expendable assets related to a project which has finished if they do not have to be returned to the donors according to the agreement.

6.2.6. All materials/equipment are respected by employees even if they are classified as expendable.

6.2.7. The assets cannot be handed over, sold or transferred to a third party without prior authorization from OPHCD (NGOs law must to be considered).

6. Damaged items:

1. If any non-expendable and expendable assets are damaged, stolen, burnt or lost during the life of a project the necessary documentation (Appendix F7) is prepared to show the donors and auditors.
2. If any non-expendable and expendable assets are damaged, robbery, burnt in the uncontrollable/conflict situation or lost during any accident, the necessary documentation is prepared by the department and approved by (GM admin and finance and the director), and would be out/delete from the non-expendable list of Inventory Store items.
3. If any non-expendable item is lost from any one (person) of the organization's employee in controllable condition/situation, the employee will replace (cover the actual depreciated amount/cost of) the equivalent item lost.
4. If any non- expendable item is lost or damaged from any OPHCD's employee in the uncontrollable situation/condition, the necessary documentation is prepared by the employee and confirmed by three assigned people and then it should be identified as lost, stolen or damaged. Reason should be provided as well.
5. non-expendable and expendable damaged materials and equipment are recorded in the related files.
6. The Inventory Accounting Department prepares a list of all used/damaged materials/equipment and seeks approval from the Director to auction, sell or dispose of.

1. POLICY

OPHCD adheres to government policy regarding the sale of materials and equipment.

2. PROCEDURE

1. The Admin/liaison officer liaises with the relevant Government Ministry to obtain all relevant documentation regarding the sale of non-expendable materials and equipment and ensures that government approval has been obtained for this purpose.
2. The Inventory Accounting Department produces a list of materials/equipment to be sold and attaches relevant documentation.
3. A nominated committee checks and decides the best offer for sales. Proceeds go towards office income and are used as administration/office expenses.
4. The Director approves the sale of equipment/materials and selects three people as sales committee.

7. Recording non-expendable items:

1. PROCEDURE

1. When receiving non-expendable stock/ goods the Inventory Accounting Department e n t ensures that:
All technical and financial information is recorded carefully in the Store Receipt Voucher for non-expendable stock/goods.
After completion of the Store Receipt Voucher, the information is entered in the AIS store section.
In Offices after receiving the goods/materials the Store Receipt Vouchers are sent to Central Office for coding and sent back to the related Office for further completion of the receipt voucher and recording in the AIS.
2. When issuing non-expendable stock/goods the Inventory Accounting Department ensures that:
the Store Requisition Slip is approved by the Manager and the General Administration and Finance Manager before goods/equipment are issued; the Store Issue Voucher (appendix F3) is prepared and signed by the receiver of the goods;
issued goods are recorded in the stock book after being issued; An adjustment voucher is prepared if required (if a mistake is made when recording the item's price in the received voucher the adjustment voucher is used). Vouchers and documentation are entered in the AIS store system and office files.

8. Supervision and protection of assets

1. POLICY

The Inventories Department ensures that all materials, equipment and assets of the organization are supervised and protected.

2. PROCEDURE

1. Before equipment given to the office staff it is checked for working properly.
2. When the equipment or materials are issued, they are registered in the personal card of the employee which the employee signs
3. Equipment/materials issued to an employee, as entered on the personal card of the employee, are returned when the employee is transferred, has resigned or the project for which the materials/equipment has been allocated is finished.
4. The condition of the equipment/materials is checked at the time it is returned.
5. The item is registered again in the store records as a damaged item.

9. Management of materials/equipment in AIS

1. POLICY

The Inventories Accounting Department efficiently manages all expendable and non-expendable materials and equipment, maintains accurate registers and records all items in the AIS inventory system.

2. PROCEDURE

1. Inventory Accountant (store keeper):

checks the quality and quantity of materials and equipment and checks items against the purchase requisition form and invoices before registering in the AIS (Store system).

registers items in the Stock Book as per quantity in the store (Appendix F9)

2. Checks by inventory manager, approves by general admin/finance manager, and enters items in the main AIS system.

3. non-expendable materials/equipment are received by the store keeper using the Store Receipt Voucher and registered in the stock book, including materials donated 'in kind'.

4.Petrol, diesel, Mobil oil and spare parts are not registered in the AIS, but are purchased and repairs carried out with a detailed report prepared by the transport section. Petrol for generator is required to be maintained in log books and the amount of the petrol received and issued has to be recorded with the store office.

5.When petrol, diesel, Mobil oil and spare parts are placed in storage for future use they are registered in the AIS as store items.

6.Before registering materials as stores in the AIS, the Inventory Accounting Department ensures that:

prices are determined before receiving the goods, if received from a donor as goods in kind by the Finance Department.

no entry is made before price determination.

7. Internal items transfers can only be made with the knowledge of the Inventory.

Accounting Department after Directors approval. Transfer should be properly recorded in respective documents. The location details of the transferred item and the employees' personnel card are updated.

10. Management of Stores and Issuing

1. POLICY

The Inventory Department manages and distributes materials and equipment from the main store according to the needs of the organization.

2. PROCEDURE

1. All materials/equipment are registered and stored after purchase.
2. Materials/equipment are purchased for specified projects and issued to the related office.
3.Within the office expendable materials/equipment are issued from the store according to need and the person receiving the item/s signs the Store Issue Voucher (Appendix F3).
4.All non-expendable materials/equipment in all offices are issued on the basis of a Store Requisition Slip (Appendix F8) mentioning the type, number and quantity of goods, completed by the applicant and approved by General Administration and Finance Manager. The item/s is issued with the person receiving the item signing the Store Issue Voucher. All employees have a Personnel Card (Appendix F4) as a record of items received by them.
5.The St o re k peer prepare and signs the Store Issue Voucher (Appendix F3), the Inventory Accounting Department Manager checks, verifies, completes the finance section and makes an entry in the AIS system.

How to safeguard a company's assets?

- How do you protect assets?
- Keep a record of all assets - see different types of business assets.
- Carry out regular asset checks, including stock and inventory checks.
- Carry out a risk assessment for different types of assets.

11.1 Sending large quantities of materials/equipment to Offices as a single consignment

PROCEDURE

1. Two copies of the Store Issue Voucher are prepared, one for office records and the other is sent with materials/equipment.
2. The Store Issue Voucher is sent back from the related office signed and verified by the Inventory Officer receiving the materials/equipment Both copies are attached together.
3. After the Store Issue Vouchers returned and completed, the information (voucher number, project, budget line, sector, program and job) is entered in the AIS.
4. For materials that are received and issued by the Inventory Department to the Sectors and used by Sectors and distributed to the beneficiaries, reports are sent to the Inventory Department and attached to the Store Issue Voucher.

For example:

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- Materials related to infrastructure unit include, cements, iron, barrow wheel, hand pumps etc.
- Materials related to the heath sector include: medicine, surgery equipment, Materials related to the education sector include, furniture, school books and other materials. Materials related to the agriculture sector include, seeds, fertilizer, sapling etc.

11. Storage and Assets:

1. POLICY

The Inventories Department ensures that stock, equipment and resources are systematically arranged in storage in Central and Offices and that proper care is taken to protect them from damage and deterioration.

2. PROCEDURE

1. All materials and equipment are kept in an orderly manner on the shelves in office stores.
2. All offices have store facilities.
3. All stores have separate sections for each kind of item/material.
4. Every item has a Stock Card. Items are also registered in the stock book.
5. All stores are checked and a balance report prepared and sent to Central Office at the end of each year.
6. Inventory Accounting Department seeks approval from the General Administration and Finance Manager to nominate a team at the end of each year to check the remaining balance in all Offices and submit the report to Central Office.

PROCEDURE

1. The Inventory Accounting Department at Central Office arranges:
training held for all inventory sections of offices;
training for the receiving goods process, distribution process, assets protection, entries in the AIS store system and report preparing for Central Office.
2. The Inventory Accounting Department visits the offices to
check procedures and documentation and assist them in preparing the reports.

POLICY:

TheInventoryAccountingDepartmentregularlyreportsontheexpendableexpendablematedequipment of the organization and non

PROCEDURE

1. Each Office sends reports according to the reporting schedule to the Inventory

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Accounting Department of Central Office as follows:

- Original receives vouchers - twice a month.
- Original issue vouchers - twice a month.
- AIS (store) recorded data in computer via /email/memory disk – once a week.
- Report of depot/store section - monthly.
- Report of damaged equipment/materials
- Non-expendable stock report - monthly.
- Quarterly report of all present items in the store from OPHCD's all offices.
- Report of all present items at the Office - once at the end of each year.
- Printed report of the recorded AIS data of non-expendable stock from store output form (twice a month).
- Vouchers of purchased, in kind, items and receipt of non-expendable materials for coding - as needed.
- Equipment/materials status in offices for coding - as needed.

2. These reports are used to complete documentation and AIS store system data and to prepare the general report.

E.14.1 non-expendable items report in AIS store

PROCEDURE

1. To obtain the report of non-expendable stock/goods in the AIS store:

List of Asset Items: selection shows the report of non-expendable stock/goods.

Asset Card Report: selection shows separate report of the non-expendable Item Card.

Annual Depreciation Report: by selecting this option and clicking print an Annual Depreciation Graph Report can be obtained.

Master wise depreciation report is available for audit purposes

Code wise depreciation report is available for donor and management purposes

2. To obtain a stock/goods report:

Enter the correct item code and click print

Enter Store Type (expendable onion-expendable)

Choose the right option (receive, issue, donate, sold, damaged or all)

E.14.2 Sending documents and data reports to Central Office

PROCEDURE:

Sending reports from Offices to Central Office is twofold:

1. Hard copies:

- Every two weeks all Store Issue and Store Receipt Vouchers
- Every month a Technical Form Non-Expendable Items report (Appendix F5)
- Every month a Monthly Stock Report Form (Appendix F6)
- Each year an annual inventory report (final report of all non-expendable and expendable items)
- Damaged items report every three months

2. AIS data (Soft copy):

- AIS soft data is sent once a week through email or memory disk corrected and completed.
- At the time of sending data, it is checked and sent according to vouchers and documents (hard copies) sent previously. All received data should be recorded in the record book.

E.14.3 -Sending reports of project expendable items

POLICY

Sectors report regularly to the Inventories Accounting Department regarding the usage of expendable items.

PROCEDURE

1. Sectors and the Infrastructure Unit send a narrative report of the quantity of expendable items used to the Inventories Accounting Department.
2. Inventories Accounting Department attaches the report to the Issue Voucher.
3. Information regarding the expendable items is entered into the AIS.

E.14.4 Preparing a report from the AIS Output Form

To prepare a report from the AIS output form

POLICY

The Inventory Accounting Department's documentation and filing are clear and well organized and facilitate prompt and accurate reporting.

PROCEDURE

1.Documents relating to the following are filed:

Received non-expendable goods in 2 types of currencies i.e. AFN issued non- expendable goods in 2 type of currencies i.e. AFN and USD.

- Received expendable goods in 2 types of currencies i.e. AFN and USD.
- Issued expendable goods in 2 types of currencies i.e. AFN and USD.
- A set of blank forms and other Inventory Accounting Department's documents.
- Received non-expendable goods returned from offices.
- Issued non-expendable goods received from offices.
- Received expendable goods received from offices.
- Issued expendable goods received from offices.

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2. The filing system contains the following;
outgoing and incoming letters/emails of the inventory accounting section.
monthly reports received from offices, sectors.
present office stock.
present projects stock.
personal cards.
damaged and repairable stock.
data reports of non-expendable stock of the department.
technical details of non-expendable stock newly purchased.
Donations in kin

12. Amendments

Any changes required in the manual with be proposed in the Directors conference and after assessing the need OPHCD BOT is the authority approving changes in the manual.

Change control history

Version No:	Approval date:	Approved by:	Change:
001	Jan,2021	Board of Trustee **General** Director	

Signature..... Date.....

APPROVED BY:

After the review of the policy, on behalf of the OPHCD Board of Trustees, the said manual is hereby approved and ready to be implemented henceforth.

Reviewed and Approved: Board of Trustee

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