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EXECUTIVE OFFICE
OF THE SECRETARY-GENERAL

TO: All Heads of Departments and Offices
A:

DATE: 19 January 2009

REFERENCE:

FROM: Angela Kane
DE: Under-Secretary-General for Management

SUBJECT: **2008 United Nations Headquarters Physical Inventory**
OBJET:

1. The purpose of this memorandum is to seek your cooperation in finalizing the 2008 Physical Inventory of Non-Expendable Property in accordance with the provisions of the ST/AI/2003/5.

2. Since July 2008 the Department of Management, through its Property Management and Inventory Control Unit (PMICU), has been liaising with designated staff from all Offices and Departments in the Secretariat to finalize the 2008 Physical Inventory.

3. Numerous non-expendable assets which have not been recorded earlier into the inventory database (ProcurePlus) have now been identified. PMICU has been working closely with your designated staff to rebuild these assets as a means of correcting and updating departmental records.

4. As the deadline of 30 January 2009 for the reconciliation of the property records is approaching, I count on your full support to commit the appropriate staff to this effort. All the necessary data have to be transmitted to PMICU prior to 30 January 2009 to ensure complete and timely financial reporting of Non-Expendable Property.

5. Your support and cooperation on this matter is highly appreciated.

cc: Mr. Adlerstein
Mr. Adams

United Nations ST/AI/2003/5

19 May 2003

Administrative instruction

Property management and inventory control at United Nations Headquarters

The Under-Secretary-General for Management, for the purpose of setting out the procedures and guidelines to be followed for the maintenance of property records and inventory control at United Nations Headquarters, promulgates the following:

Section 1
Introduction

Delegation of authority to departments and offices

1.1 In accordance with the policy of the Secretary-General to decentralize the maintenance of property records (see A/C.5/50/51) and in order to enhance the accountability, operational efficiency and reliability of reported information, the responsibility for maintaining records and making arrangements for the conduct of physical inventories in respect of property assigned to, currently used by or acquired by each department or office at Headquarters is delegated to the head of the department or office concerned. The head of department or office shall be responsible and accountable for the safe custody, effective utilization and control of all such property, in accordance with the provisions of the present instruction.

1.2 Each head of department or office shall be responsible and accountable for creating, maintaining and updating its property and inventory control records, monitoring the movement of its property, recommending the disposal of obsolete and unserviceable property and conducting periodic physical inventories. In addition, each head of department or office is responsible for group inventory items such as furniture that are located in their common areas.

Responsibilities of individual staff members

1.3 While overall responsibility rests with each head of department or office, each staff member is responsible for the proper care and security of property issued for his or her use in the exercise of official duties.

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Responsibilities of the Facilities Management Division

1.4 The Facilities Management Division, Office of Central Support Services, shall be responsible for overseeing the central inventory of property at Headquarters, including the formulation of policies and procedures and the coordination of the physical inventories conducted by departments and offices. It shall also provide the necessary equipment and the relevant hardware and software for recording inventory data, supplies, training and other information related to conducting the physical inventory.

Section 2
Definition of property and requirements for property records

2.1 There are two types of property: non-expendable and expendable property.

Non-expendable property

2.2 There are three categories of non-expendable property:

(a) Property or equipment valued at $1,500 or more per unit at the time of purchase and having a service life of at least five years (e.g., generators, kitchen equipment, major equipment and vehicles);

(b) Special items, which are property items considered to be of an attractive nature and easily removable from the premises because of their size, costing $500 or more per unit at the time of purchase and with a serviceable life of three years or more (e.g., computers, cameras, televisions, facsimile machines and tape recorders);

(c) Group inventory items (e.g., furniture and modular workstations) with a serviceable life of five years or more, irrespective of value.

2.3 Information on all non-expendable property shall be maintained in the property records and inventory control system.

Expendable property

2.4 There are two types of expendable property:

(a) Property or equipment valued at $1,500 or less per unit at the time of purchase (e.g., toner cartridges and consumables);

(b) Property or equipment valued at $1,500 or more but with a serviceable life of less than five years.

2.5 Information on expendable property is not required to be maintained in the property records and inventory control system. However, property and inventory control records may be maintained, at the discretion of the head of department or office 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 and replacement items such as tires and maintenance tools).

Section 3
Maintenance of property and inventory control records

Responsibilities of departments and offices

3.1 Each head of department or office shall designate a Property Records Custodian as the focal point for the Facilities Management Division. The Property Records Custodian shall be responsible for keeping records of all property assigned to his or her department or area of responsibility.

Responsibilities of the Property Records Custodian

3.2 The Property Records Custodian shall be responsible for creating, maintaining and updating property and inventory control records, labelling property, monitoring the movement of property, recommending the disposal of obsolete and unserviceable property and conducting periodic physical inventories during each biennium.

Computerized property and inventory control system

3.3 A computerized property and inventory control system has been developed to improve the maintenance of property records and custodial control over property items. The system is an essential tool for the management and control of overall property records at United Nations Headquarters. It is designed to monitor the property assigned to departments and offices and provides a method of recording information, retrieving data and generating reports.

3.4 Each head of department or office shall have access to only the inventory records of his or her department or office. However, the Facilities Management Division, as the Division responsible for the central inventory at Headquarters, shall have access to all inventory records.

3.5 Heads of departments and offices shall be responsible for ensuring proper maintenance of the inventory records for their department or office and for submitting biannual reports to the Facilities Management Division in order to facilitate the generation of consolidated biannual inventory reports for submission to controlling bodies.

Physical inventory

3.6 Each head of department or office shall ensure that a comprehensive physical inventory of supplies, equipment and other property of the United Nations is conducted every two years. Such inventories shall be coordinated and consolidated by the Facilities Management Division in order to make the property records available to controlling bodies. Special inventories may be conducted as needed.

Property passes and final clearance

3.7 Each head of department or office shall ensure that the Property Records Custodian: (a) monitors property that has been issued by the department or office to staff members for use at home or on mission assignment; and (b) maintains appropriate records on such property.

3.8 Staff members in each department or office shall obtain final clearance from the head of department or office with respect to United Nations property upon their

separation from service, reassignment or transfer to another department or office or mission assignment.

Lost property

3.9 Each head of department or office shall ensure that the Property Records Custodian reports all instances of lost property to the Security and Safety Service with copies to the Facilities Management Division and to the Headquarters Property Survey Board.

Section 4
Disposal of non-expendable property

Disposal of group inventory items

4.1 The Facilities Management Division is responsible for the disposal of group inventory items. When such items are returned to stock, the Division will follow the relevant procedures to assess and dispose of items that are beyond repair.

Disposal of computer equipment

4.2 Procedures for the disposal of computer equipment at United Nations Headquarters are contained in a previous administrative instruction (ST/AI/2001/4).

Disposal of other categories of non-expendable property

4.3 Each head of department or office shall be responsible for ensuring that obsolete and unserviceable items are identified promptly for the purpose of disposal, in accordance with the relevant procedures. The Property Records Custodian shall be responsible for the maintenance of departmental inventory records in respect of the disposal of such items.

Section 5
Final provisions

5.1 The present instruction shall enter into force on 1 June 2003.

5.2 The provisions of the present instruction shall prevail in the case of any inconsistent provision concerning property management and inventory control at United Nations Headquarters contained in administrative instruction ST/AI/374 of 16 January 1992, entitled "Property records and inventory control under revised definition of non-expendable property", pending revision of that circular.

(*Signed*) Catherine **Bertini**
Under-Secretary-General for Management