



Guidelines for Fixed Assets Management

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GENEVA, SWITZERLAND

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1. Introduction, Purpose and Scope

1.1 Introduction

1. The purpose of the Global Fund is to attract, manage and disburse additional resources to fight AIDS, tuberculosis and malaria. Accordingly, the Global Fund and its implementers are responsible for ensuring adequate controls are in place to manage Fixed Assets (as defined in paragraph 1.2 below) at both the Global Fund Secretariat and at country level to achieve impact on Global Fund Programs. Unless defined in these Guidelines or the context otherwise requires, all capitalized terms used in this document are defined at Section 2.2 of the Global Fund Grant Regulations (2014).

2. Grant implementers¹ use Grant Funds to make significant investments in Fixed Assets. These investments ensure that the required resources and capacities are in place for effective and efficient achievement of Program objectives. As such, the Global Fund Secretariat has developed these guidelines to help grant implementers effectively manage these Fixed Assets.

1.2 Definition of Fixed Assets

3. For the purposes of these guidelines, “Fixed Assets” are Program Assets which:

- (i) are acquired, held, managed, used and/or controlled by the relevant grant implementer;
- (ii) are expected to be used over more than one accounting or reporting period for Program implementation, or for administrative purposes;
- (iii) provides future economic or service benefits to the disease and RSSH program; and
- (iv) either have a reliably measured individual cost or value which equals or exceeds (\geq) the lower of (i) US\$ 2,500; and (ii) the fixed asset capitalization value of that Program Asset (as defined by the relevant grant implementer’s policies and procedures).

4. Fixed Assets may be tangible (with physical form and existence) or intangible (without physical form or existence) in nature. Examples of Fixed Assets include, but are not limited to, the following:

- (i) Health Products - Equipment: CD4 analysers, HIV viral load analysers, microscopes, TB molecular test equipment & other health equipment;
- (ii) Non-Health Equipment (Tangible): computers, computer equipment, vehicles, furniture, generators and other non-health equipment;
- (iii) Non-Health Equipment (Intangible): software and applications; and
- (iv) Leases (Intangible or tangible).

5. Accordingly, Fixed Assets exclude consumable or inventory items such as (but not limited to) condoms, LLINs and syringes etc. Whereas lab refurbishments, construction and renovation projects meet the definition of Fixed Assets, they are not covered by these guidelines. Please refer to section 7.5 of [the Global Fund guidelines for Grant Budgeting](#) for specific requirements regarding construction, rehabilitation, renovation and enhancements of health infrastructure.

¹ Grant implementers include Principal Recipients, Sub-recipients and Sub-sub Recipients.

1.3 Purpose and Scope

6. The main purpose of these guidelines is to prescribe or define key principles and processes for the management of Fixed Assets. They aim to:

- help grant implementers understand the Global Fund's minimum requirements relating to the management of Fixed Assets;
- enhance clarity in financial decision-making in relation to Fixed Assets; and
- ensure an appropriate balance between flexibility and efficiency, transparency and accountability of fixed assets management.

7. These guidelines are intended to assist grant implementers to develop and maintain effective policies and procedures relating to the recognition, measurement, maintenance, repairs, transfer, disposal, monitoring and reporting of Fixed Assets. For information on budgeting and the procurement of Fixed Assets, please refer to the relevant Global Fund guidelines, policies and procedures. These guidelines are not intended to prescribe or define relevant accounting treatments of Fixed Assets in line with applicable accounting standards.

8. These guidelines are mandatory for all grant implementers that acquire, manage, hold, use and/or control Fixed Assets. These guidelines also serve as guidance for Country Teams, Local Fund Agents, Fiscal Agents, Fiduciary Agents, Internal Auditors and External Auditors as they discharge or carry out their respective responsibilities in relation to the management, monitoring, oversight and verification of Global Fund grant resources.

9. These guidelines are to be used in conjunction with the:

- the Grant Agreement (including, where applicable, the [Global Fund Grant Regulations \(2014\)](#) as incorporated therein);
- the [Global Fund Guidelines for Grant Budgeting \(2019\)](#) (as amended from time to time); and
- relevant operational policies (including, but not limited to, the Operational Policy Note on Implementation Period Reconciliation and Grant Closure).

10. To the extent there is a conflict between the provisions set out in the above documents and these guidelines, the provisions in the above documents shall prevail.

2. Key Principles and Processes

2.1 Fixed Asset Acquisition

11. Fixed Assets may be acquired by grant implementers in one or more of the following ways:
- procured by the grant implementer in line with their applicable procurement laws and regulations, terms of the Grant Agreement, including the procurement provisions set out in the Global Fund Grant Regulations (2014);
 - procured by a third party on behalf of the grant implementer (i.e. by a procurement agent);
 - procured by one grant implementer on behalf of another (i.e procurement by a PR on behalf of an SR, etc.);
 - through direct procurement by the Global Fund on behalf of the grant implementer through the Pooled Procurement Mechanism or Wambo;
 - transferred to a grant implementer from one or more other grants, implementation period and/or grant implementers; and
 - donation of Fixed Assets to the Program at country level by one or more other stakeholders.

2.2 Key Principles and Requirements

12. Fixed Assets should be appropriately managed by each grant implementer that acquires, manages, holds, uses and/or controls the relevant Fixed Asset. The following are the minimum control requirements for each grant implementer:
- procurement in line with applicable procurement laws and regulations, terms of the Grant Agreement, including the procurement provisions set out in the [Global Fund Grant Regulations \(2014\)](#);
 - development and implementation of adequate policies and procedures for the recognition², management and disposal of Fixed Assets based on applicable laws and regulations, including the Global Fund Grant Regulations (2014) and donor requirements;
 - development of a comprehensive record of all Fixed Assets (the “fixed asset register” or “FAR” which allows for identification of individual assets, including the details set out in section 3.5 below, as required under Section 6.7 of the Global Fund [Grant Regulations \(2014\)](#));
 - appropriate usage and maintenance of Fixed Assets, including ensuring adequate insurance (as required under Section 6.4 of the Global Fund [Grant Regulations \(2014\)](#) and [Insurance Guidelines for Global Fund grants](#)), secure storage prior to deployment, log books and regular operational maintenance and repairs, to ensure effective, efficient and economical use of Fixed Assets;
 - undertaking an inventory (including a physical verification) of Fixed Assets on a regular basis³. At a minimum, the Global Fund expects a full inventory of Fixed Assets to be performed over an implementation period⁴. The results of the exercise must be documented, including determining the existence, location and condition of the relevant

² The policy should outline when an asset is to be capitalized versus expensed when purchased. Refer to Section 3.

³ E.g. annually or as otherwise agreed with the Country Team including a risk-based approach or inventory on a rolling basis to ensure full fixed assets coverage over an implementation period.

⁴ In accordance with Section 10.3 of the Global Fund [Grant Regulations \(2014\)](#) an inventory of all outstanding Program Assets must be provided to the Global Fund within 3 months of expiry / early termination of the grant.

asset, reconciling the inventory result with the FAR, and investigating differences (if any); and

- development of a system of reporting of any stolen or unaccounted for assets to the Global Fund.

13. Although each grant implementer is required to maintain a FAR for the Fixed Assets, the PR is ultimately responsible for maintaining a FAR which lists and consolidates the Fixed Assets (using same approach as for consolidation of Annual Financial Report (AFR) expenditure) whether or not the PR (rather than the grant implementer) acquires, manages, holds, use and/or controls the Fixed Asset - refer to section 3 (Recognition and Reporting of Fixed Assets) below. This is a requirement which must be adhered to for the purposes of reporting to the Global Fund, even if the grant implementer's own reporting requirements differ for accounting purposes.

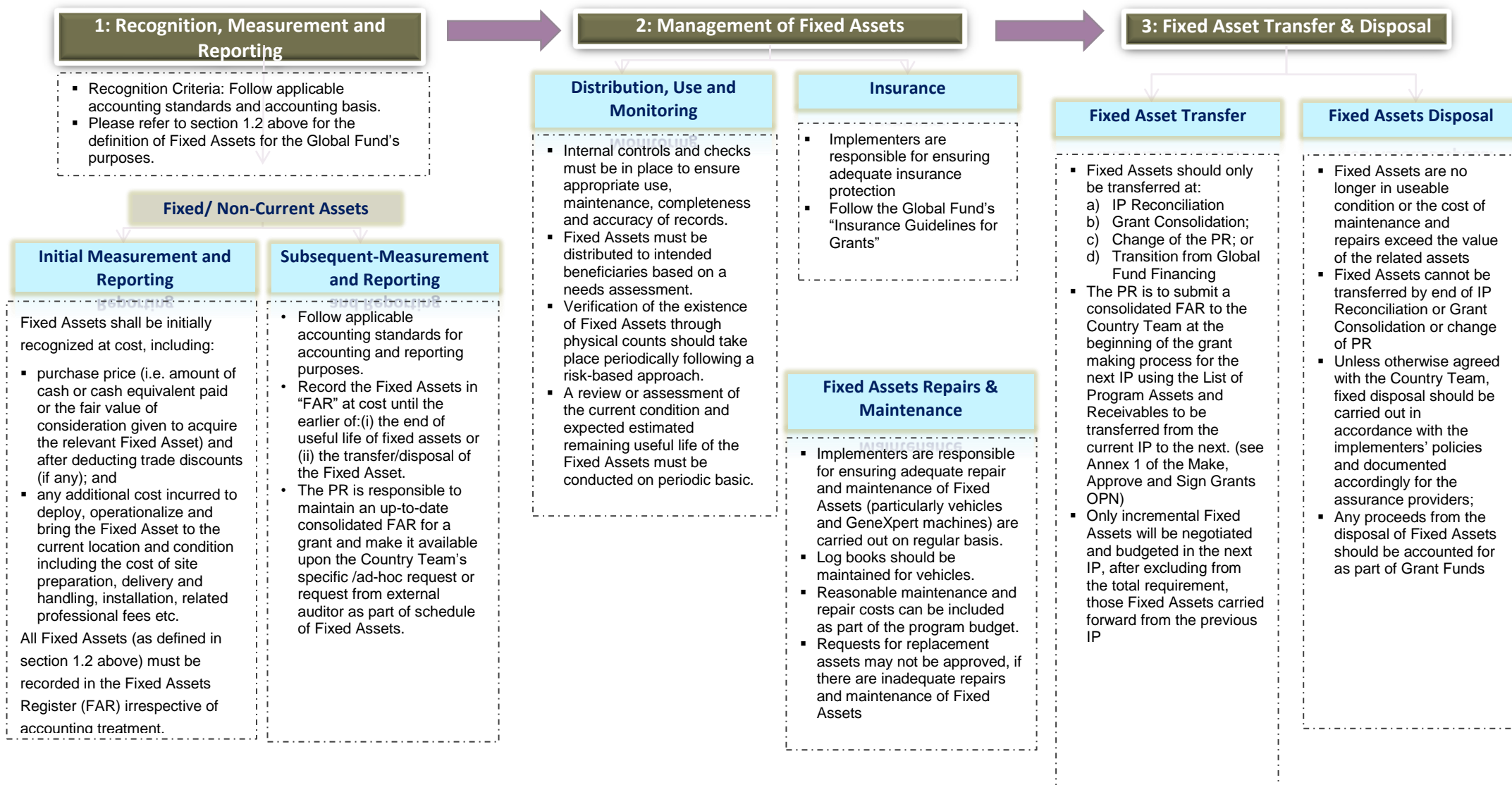
14. The below table summarizes each grant implementer's key responsibilities in relation to Fixed Assets:

#	Activity - Description	Accounting ⁵	Maintenance Repair	Consolidation in the FAR including	Physical verification	Reporting to the Global Fund
1	Fixed Assets acquired by a procurement agent on behalf of the implementer and held, managed, used and/or controlled by the PR.	PR	PR	PR	PR	PR
2	Fixed Assets acquired by the procurement agent on behalf of the implementer and held, managed, used and/or controlled by Sub-Recipients (SRs).	SR	SR	PR	SR and PR	PR
3	Fixed Assets acquired by the PR and held, managed, used and/or controlled by the PR.	PR	PR	PR	PR	PR
4	Fixed Assets acquired by the PR and held, managed, used and/or controlled by the SR.	SR	SR	PR	SR and PR	PR
5	Fixed Assets acquired by the SR and held, managed, used and/or controlled by the SR.	SR	SR	PR	SR and PR	PR
6	Fixed Assets acquired by the SR and held, managed, used and/or controlled by the Sub-sub Recipients (SSR).	SSR	SSR	SR and PR	SSR, SR and PR	PR

⁵ Accounting refers to recording the asset in the book of accounts.

2.3 Summary of Fixed Assets Management Processes

15. The following diagram summarizes the Fixed Asset management process as it relates to the Global Fund requirements:



3. Recognition, Measurement and Reporting of Fixed Assets

3.1 Overview

16. It is important to note that the Global Fund does not prescribe the accounting treatment of Fixed Assets other than the requirement that implementers follow the appropriate standards, laws, donor requirements and accounting standards applicable to them. This section outlines key requirements of the Global Fund relating to recognizing, measuring, tracking and reporting of Fixed Assets that should be followed in addition to any applicable accounting standards.

3.2 Recognition of Fixed Assets

17. Each Fixed Asset must be recognized in accordance with the applicable accounting standard and recorded in FAR.

18. Each Fixed Asset item must be recorded separately in the FAR. The grant implementer is not required to record and report an individual Fixed Asset items if their individual cost or value is less than US\$ 2,500. However, if the aggregated cost of Fixed Assets of a similar nature, function and useful life exceeds the US\$ 2,500 threshold for a particular transaction or during the implementation period, these must be recorded as a line item in the FAR (aggregated by units and/or amounts). This will apply to items such as laptops, IT equipment, cameras, projectors and/or mobile phones and any other assets as determined by the Country Team, even where the individual cost or value is less than US\$ 2,500.

19. In addition to the FAR, the grant implementer should also maintain a memorandum account to monitor the US\$ 2,500 threshold for lower value items through an implementation period. For example, the purchase of five mobile phones valued at US\$ 200 each should be recorded in the memorandum account, but does not need to be entered in the FAR. However, should a further 10 mobile phones be procured during the Implementation Period, as the 15 individual assets have an aggregated cost of US\$3000, they should all subsequently be recorded on the FAR.

3.3 Initial Measurement

20. A value is to be assigned to each Fixed Asset reported in the FAR. Each Fixed Asset is to be measured at cost, including:

- purchase price (i.e. amount of cash or cash equivalent paid or the fair value⁶ of consideration given to acquire the relevant Fixed Asset) and after deducting trade discounts (if any); and
- any additional cost incurred to deploy, operationalize and bring the Fixed Asset to the current location and condition including the cost of site preparation, delivery and handling, installation, related professional fees etc.

21. Given import duties are not payable using Global Fund grants, the cost of the Fixed Asset reported in the FAR should be exclusive of import duty fees.

⁶ Fair value refers to the amount that a willing and knowledgeable party would pay under normal market conditions to acquire an asset.

3.4 Subsequent Measurement

22. A grant implementer should follow the applicable accounting policies and procedures for the depreciation/amortization of assets in the normal course and the write-down of damaged assets for accounting purposes.

23. Irrespective of the accounting standards followed by the grant implementer, the grant implementer should maintain, as part of the FAR, the initial value assigned to the Fixed Asset for the purposes of reporting to the Global Fund. The FAR is a subsidiary record, therefore cost assigned to a Fixed Asset may not necessarily be aligned with the financial statements due to different accounting basis (cash basis of accounting vs accrual basis of accounting).

3.5 Fixed Assets Register (FAR)

24. As noted above, all Fixed Assets must be recorded in the FAR irrespective of the accounting policies and standards adopted by the implementers (i.e. whether the items are capitalized or expensed for accounting purposes). A template FAR can be found in Appendix 1.

25. Roles and responsibilities for the inclusion, removal, maintenance and/ or review of the FAR are to be established in the grant implementer's policies and procedures, while ensuring appropriate segregation of duties. At a minimum, the person responsible for the physical control or usage of a Fixed Asset must not be responsible for the maintenance and update of the FAR.

26. The minimum information required in the FAR includes, but is not limited to, the: unique asset identification number or code, asset description, classification (based on similar nature, function & useful life as outlined in para 5 above), date of purchase, implementation period, cost of asset, location (including, where available, the specific department, office and or bin/warehouse etc.), organization (holding, managing, controlling and/or using the asset), current condition, person responsible and the estimated useful life on the date of acquisition. To facilitate the physical verification, each asset must be tagged with the unique asset identification number or code in line with the number or code in the FAR and the code must be designed to include reference for implementer and asset type,

27. The FAR must be kept up-to-date for all acquisitions, additions, disposals, theft or other pertinent changes. The grant implementer that acquires, holds, manages, uses and/or controls the asset is responsible for maintaining the FAR. However, the PR has overall responsibility for maintaining a consolidated FAR which includes assets acquired, held, managed, used and/or controlled by SR and SSR and/or other implementing entity (program directorates and sub-national offices). The PR is also responsible for ensuring that grant implementers have sufficient controls in place for the maintenance and safeguarding of assets, verifying that grant implementers have appropriately included Fixed Assets in the FAR, and ensuring the grant implementers under the relevant grant apply the guidance herein.

28. The FAR must be inclusive of Fixed Assets purchased over multiple Implementation Periods and contain assets transferred from one entity to another. Assets can only be removed from the FAR when management, use and/or control of that asset has changed, i.e. when the asset is transferred, damaged beyond use, stolen or disposed of (for details please refer to section 5 below).

3.6 Reporting

29. The PRs must keep the FAR up-to-date and make it available upon the Country Team's specific/ad-hoc request.

30. A schedule of Fixed Assets (based on the main and sub classifications as outlined in para 5 above) is to be included in the Global Fund Special Purpose Financial Statements duly supported by an up-to-date FAR. Refer to Global Fund's policy on "[Guidelines for Annual Audits of Global Fund Grants](#)" (paragraph 87) for further details.

31. Assets recorded on the FAR that are stolen, misused or otherwise unaccounted for must be immediately reported by SSRs and SRs to the PR and by the PR to the Country Team upon learning of its theft, misuse or disappearance. The PR must take appropriate and proportionate measures to investigate the asset's misuse or disappearance and to mitigate further losses of a similar nature. Information relating to concerns of material amounts of stolen or misused assets should be shared with the Global Fund's Office of the Inspector General. Anyone reporting a violation may choose to remain anonymous. This can be done by email: ispeakoutnow@theglobalfund.org and <https://www.theglobalfund.org/en/oig/report-fraud-and-abuse> / hotline@theglobalfund.org. (Free service available in English, French, Spanish, Russian, Chinese, and Arabic).

4. Management of Fixed Assets

4.1 Overview

32. Each grant implementer who acquires, holds, manages, uses and/or controls a Fixed Asset is responsible for monitoring and safeguarding of such Fixed Assets against loss, damage, theft or misuse including fraud.

33. Grant implementers are expected to have the programmatic, financial, and management capabilities to effectively undertake their roles under the program. This extends to ensuring that Program Assets can be appropriately managed, efficiently utilized and effectively safeguarded. As such, the grant implementer must have adequate policies and processes in place to manage the operational aspects of Fixed Assets, including, but not limited to, the distribution and use, insurance, maintenance, repair and physical counts of the relevant Fixed Assets.

34. Principal Recipients have the added responsibility for monitoring and reporting on Program Assets, irrespective of the location, ownership and use of the assets, as well as ensuring that SRs and SSRs have sufficient policies and procedures for the management of Fixed Assets.

4.2 Distribution and Use

35. Proper management of assets underpin the success of interventions. It is imperative that grant implementers procure only necessary assets for programmatic implementation and that these assets are used efficiently and effectively.

36. The PR is also responsible for ensuring that any assets procured are distributed to intended beneficiaries based on a need's assessment. Distributed assets must be accompanied by waybills, delivery notes, installation reports or other relevant installation documentation as evidence of asset transfer.

37. Unless expressly authorized by the Global Fund, Fixed Assets may not be used other than for Global Fund grant-related activities (this prohibition includes personal use by grant implementers, use for other grant implementer activities or other donor-funded activities).

38. For each vehicle in use (and procured using Grant Funds), the implementer must maintain a log book noting the purpose of the travel, the traveler, and the distanced travelled. Each traveler must sign the log book confirming their trip. Any falsification of travel documents or excess purchase of fuel beyond the mileage recorded in the log books will be deemed a non-compliant expenditure (for details please refer to the [Guidelines for Grant Budgeting \(2019\)](#)) and a refund will be requested.

4.3 Insurance

39. Adequate insurance protection is a means to transfer risks of the potential loss and damage of assets, and to mitigate supply chain and other risks which can impede programmatic performance. Adequate insurance also mitigates risks that may affect Global Fund funded activities undertaken by grant implementers.

40. The PR should take steps to ensure that each grant implementer safeguards assets by maintaining adequate all risk property insurance and general liability insurance in accordance with section 6.4(1) of the Global Fund Grant Regulations (2014) and [Insurance Guidelines](#).

41. Whether or not the PR acquires, holds, manages, uses and/or controls the Fixed Asset, in the event of loss or theft of, or damage to any Fixed Assets, the PR will be required to immediately replace such items at the PR's own expense with similar assets of the same quantity and quality,⁷ or failing this, upon request by the Global Fund, refund to the Global Fund an amount equal to current market value of similar assets of the same quantity and quality (condition). Furthermore, responsibility for post-insurance payment claims and acceptance lies with the grant implementer.

4.4 Maintenance and Repairs

42. It is the responsibility of the implementer who acquires, holds, manages, uses and/or controls the Fixed Asset to ensure such assets are appropriately maintained, and that as part of their fixed asset management practices, that regular maintenance is scheduled for the upkeep of the asset. This is especially critical for assets like vehicles, GeneXpert machines and other laboratory equipment whose availability is crucial for program success.

43. The PR is encouraged to include necessary and reasonable maintenance and repair costs as part of the Program budget. If the PR and implementers do not sufficiently maintain assets purchased through Global Fund grants, replacement assets may not be approved for purchase using Grant Funds. Furthermore, if there is evidence of misuse or inappropriate management of assets, the PR/implementer may be requested to refund the purchase cost of the asset to the grant.

4.5 Fixed Assets Monitoring

44. All Fixed Assets must be monitored in accordance with applicable policies and procedures of the relevant grant implementer including, but not limited to:

- the periodic verification of the existence of Fixed Assets through physical counts, and the grant implementer should have in place a risk-based mechanism for periodic physical count/verification;
- review or assessment of the current condition and expected estimated remaining useful life of the Fixed Assets;
- reconciliation of physical verification results to the FAR and investigation and correction/adjustments of any differences including correct/current location etc.; and
- verification of internal controls and checks to ensure appropriate use, maintenance, completeness and accuracy of records. Fixed Assets that are identified as stolen or otherwise unaccounted for must be immediately reported to the Country Team.

4.6 Assurance Requirements

45. The Global Fund principally relies on the implementers' controls to ensure appropriate stewardship of Program Assets. However, the Country Team may also use certain measures to ensure appropriate financial management of the funds used for the Program's implementation. Refer to [the Global Fund's Guidelines on Financial Risk Management](#) for additional details.

⁷ In accordance with section 6.4(2) of the Global Fund Grant Regulations (2014).

46. Throughout the grant lifecycle, the Country Team may conduct several reviews including, but not limited to, expenditure verifications and spot checks.

47. The Global Fund Country Team reserves the right to mandate assurance providers (Fiscal/Fiduciary Agent, LFA, Internal Auditor or External Auditor) to perform a review and physical verification of Fixed Assets as and when deemed necessary.

5. Fixed Assets Transfer and Disposal

5.1 Overview

48. The grant implementer must have adequate policies, procedures and mechanisms for the Fixed Assets transfer and disposal. The transfer or disposal of Program Assets depends on the type of closure or the condition of the specific asset. Any Fixed Assets that can no longer be used under the grant for which they have been purchased must be used exclusively to fight the three diseases and support RSSH programs that represent the core mandate of the Global Fund.

49. Accordingly, assets may not be transferred to individuals for personal use or for other country or PR initiatives⁸. The Global Fund reserves the right to investigate or verify that assets transferred to implementers are used in accordance with the Grant Agreement even after that grant has ended. For further details please refer to [the Global Fund's Operational Policy Manual, section 3: Grant Closure](#).

5.2 Disposal of asset due to impairment

50. Fixed Assets can be disposed of, in compliance with applicable policies and procedures, if the asset is in a non-usable condition or not economically feasible to repair. Grant implementers must carry out physical verification of assets before initiating the assets transfer or disposal process. The asset verification reports must include, but are not limited to, the nature of asset(s); asset identification code; date of acquisition; acquisition cost (purchase cost); and current physical condition (remaining useable life or economic life etc.)

51. Where the grant implementer does not have formal policies and procedures for the transfer and disposal of Fixed Assets or where such policies and procedures are deemed inadequate by the Country Team or any assurance provider, the PR must present annually⁹ to the Country Team a consolidated list of Fixed Assets for which the PR (or other grant implementers) intends to dispose of. The Country Team shall review the list and only upon the receipt of a no-objection from the Global Fund, may the PR proceed with disposal and removal of the asset from the FAR.

52. Any proceeds from the disposal of Fixed Assets must be recorded as other income/revenue under the grant and used for other pertinent grant activities, upon prior approval by the Global Fund.

5.3 Transfer or Disposal of Fixed Assets at Implementation Period (IP) Reconciliation or Grant Closure

53. Fixed Assets may be transferred or disposed of at IP reconciliation or grant closure under four scenarios, please refer to paragraph 4 of the OPN on Implementation Period Reconciliation and Grant Closure (for the definition of each type of closure mentioned below):

- Implementation Period reconciliation;
- Grant Consolidation;
- Change of the Principal Recipient; and
- Transition from Global Fund Financing.

⁸ https://www.theglobalfund.org/media/3266/core_operationalpolicy_manual_en.pdf?u=637166001030000000 "OPN on IP reconciliation and Grant closure"

⁹ Unless agreed otherwise with the Country Team

Implementation Period Reconciliation and Grant Consolidation

54. As set out in Appendix 2 of the Global Fund Guidelines for Grant Budgeting, the list of Fixed Assets as of the IP end date will be the starting list of Fixed Assets for the new IP.

55. Thus, for IP Reconciliation and Grant Consolidation type closures, Fixed Assets are transferred to the next IP or new grant, respectively. The PR should therefore continue to track these assets in the FAR, even if it pertains to a prior implementation period.

56. The PR is to submit a consolidated FAR to the Country Team at the beginning of the grant making process for the next IP. This must be finalized by the submission deadline to Grant Approvals Committee (GAC) using the List of Program Assets and Receivables to be transferred from the current IP to the next deadline in Annex 1 of the Make, Approve and Sign Grants OPN. Only incremental Fixed Assets needs will be negotiated and budgeted in the new IP, after excluding from the total requirement, those Fixed Assets carried forward from the previous IP.

Change of the Principal Recipient

57. For change of the Principal Recipient at grant closure, the Program Assets must be transferred to the new Principal Recipient or new and continuing Sub-recipients, with CCM oversight based on the List of Program Assets and Receivables, and Transfer Plan, approved by the Global Fund by way of an Implementation Letter. The same rule applies when the changes are at SR level. Evidence of transfer should be maintained. This can include, but is not limited to, a list of assets received by the new implementer with their sign-off/stamp on the document confirming the receipt of the transferred assets.

58. The receiving entity would therefore account for the assets as an addition to the FAR, however no value would be assigned to the asset.

59. If it is determined that the assets cannot be transferred to the new PR or SRs, (for example, it is cost prohibitive to transfer these assets to another grant implementer), the Global Fund may approve the permanent transfer to these assets to the PR or country program. If the assets are transferred permanently, the Program Assets must be used exclusively to fight the three diseases and support RSSH programs that represent the Global Fund's core mandate.

Transition from Global Fund Financing

60. In the event of a transition from Global Fund financing and based on the approved List of Program Assets and Receivables, and Transfer Plan, the PR must ensure that Program Assets continue to be used exclusively to fight the three diseases and support the RSSH programs that represent the core mandate of the Global Fund.

5.4 Approvals and Transfer Plans at Grant Closure

61. As mentioned above, for change of the PR or transition from Global Fund financing types of closure, the List of Program Assets and Receivables (which include Fixed Assets) and Transfer Plan must be submitted together with the grant closure plan and grant closure budget (for further detail on the timelines please [the Global Fund's Operational Policy Manual, section 3: Grant Closure](#)). All such documents must be endorsed by the CCM.

62. The asset transfer plan must be supported by the following documents:

- **Asset verification reports:** As described above, the grant implementer must carry out a physical verification of assets on a periodic basis using a risk-based approach. Grant implementers must also carry out a physical verification of assets before initiating the assets transfer or disposal process. The asset verification reports must include, but are not limited to, the nature of asset(s), asset identification code, date of acquisition; acquisition cost (purchase cost); and current physical condition (remaining useable life or economic life etc.)
- **Reasons for transfer or disposal of assets:** The reasons for transfer or disposal of assets include, but are not limited to:
 - Grant closure¹⁰ (closure due to consolidation, closure due to change of PR or closure due to transition from Global Fund financing); and/or
 - the asset(s) is/are withdrawn from use and/or no future economic benefits are expected from its use/disposal.

63. Once the asset transfer plan is endorsed by the CCM and approved by the Country Team, and the assets have been disposed of/transferred, grant implementers must update their FAR accordingly. The proceeds from the sale of assets (if any) are considered as other income/revenue and can be used to finance grant closure activities, upon prior written approval of the Global Fund, whereas unutilized funds are to be returned to the Global Fund.

¹⁰ For further detail please refer to [Operational Policy Manual, section 3: Grant Closure](#).

Appendix

Appendix 1 – Fixed Assets Register Template

Organization's Name and Logo

Organization Address (Registered)

Contact: Phone:

Line 1.....

Fax:

Line 2.....

Email:

Fixed Asset Register

Location:

Date:

Function:

Reference No:

Sr. #	Asset Description	Asset Code	Date of Acquisition	Location	Implementer	Implementation Period	Classification	Unit (s)	Total Cost	Estimated Useful life (at acquisition)	Estimated Useful life (at Reporting)	Remarks
1												
2												
3												
4												

Prepared by:

Reviewed/Verified by:

Approved by:

Signature:

Signature:

Signature:

Date:

Date:

Date:

Remarks: