



7 March 2016

Information circular*

To: All heads of departments and offices with property management authority and property management staff

From: The Assistant Secretary-General for Central Support Services

Subject: **Recording and tracking procedure for non-capitalized property**

I. Purpose

1. The purpose of the present information circular is to inform heads of departments and offices with delegated property management authority and staff members performing property management tasks of the stewardship requirements for recording and tracking non-capitalized property of the United Nations.

2. The definition of property at the United Nations and the procedures for its management and control at all offices, departments and locations of the United Nations Secretariat, including the maintenance and verification of records, and the disposal of the property of the United Nations, are outlined in administrative instruction [ST/AI/2015/4](#).

3. Section 4 of administrative instruction [ST/AI/2015/4](#) categorizes United Nations property and establishes policies and procedures for its financial accounting pursuant to financial rule 105.20. Accordingly, property of the United Nations, whether tangible or intangible, may be classified as “capitalized property” or “non-capitalized property”.

II. Definition

4. The present circular provides further details with respect to the procedures for recording and tracking non-capitalized property only, that is, property that does not meet the requirements to be recognized as a financial asset in accordance with the applicable United Nations accounting standards, and as such is not subject to the valuation and accounting procedures as set forth in the information circular on the United Nations policy framework for International Public Sector Accounting Standards ([ST/IC/2013/36](#)), but meets the following criteria:

* The present circular will be in effect until further notice.



- (a) The property is valued at \$1,500¹ or more per unit at the time of purchase or other acquisition;
- (b) The property is a specialty item having aesthetic, cultural or other significance or otherwise meriting special control, as may be determined by the relevant head of department or office or by another Secretariat official so concerned, and which is valued at or less than \$1,500¹ per unit at the time of purchase or other acquisition; or
- (c) Expendable property that is consumed in use, is transformed or absorbed into any substance during use or otherwise loses its identity when in use.

III. Recording

- 5. Information related to the control, custody, care, use, maintenance, issuance and accounting of non-capitalized property is required to be maintained in the property records and to be monitored throughout its life cycle.
- 6. Non-capitalized property shall be monitored and accounted for throughout its life cycle, from receipt until write-off for disposal by whatever means, including but not limited to donation, sale, trade-in or destruction by cannibalization or recycling.
- 7. Property records are not required to be maintained for non-capitalized expendable property. However, property records may be maintained at the discretion of the head of department or office concerned when controls of property are deemed necessary for the efficient management of the operation concerned.

IV. Physical verification

- 8. Physical verification shall be conducted on a regular basis and as deemed necessary to ensure adequate control over property. The findings of the verification process shall be reconciled with the property records.
- 9. Physical verification of non-capitalized expendable property may be performed at the discretion of the head of department or office concerned when it is considered necessary to enhance or to ensure appropriate property control and accountability.

¹ Prior to the implementation of Umoja, an item was determined as “non-capitalized, trackable” by its value at the time of acquisition. With the implementation of Umoja, a profile is added to the material master that dictates stewardship and tracking requirements for each item.