



**ADMINISTRATIVE MEMORANDUM No. 123 Rev. 2**

**SUBJECT:** CORRIGENDUM - AMENDMENT OF CHAPTER XIV OF THE BUDGETARY AND FINANCIAL RULES:  
FIXED ASSETS

**CONSIDERING,**

That Administrative Memorandum No. Rev. 1 was issued with National Offices acquisition accountability threshold for fixed asset of USD 2,000 in error where it should have been set at USD 5,000; and,

That to correct this typographical error, as well as other typographical errors identified in the document, it is necessary to amend Administrative Memorandum No. 123 Rev. 1.

**THE DECISION:**

To revoke Administrative Memorandum No. 123 Rev.1 and replace it in its entirety with the revised Administrative Memorandum No. 123 Rev. 2.

A handwritten signature in black ink that reads "Arnold A. Chacon".

Arnold Chacon

Secretary for Administration and Finance



Organización de los Estados Americanos  
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Secretariat for Administration and Finance (SAF)

Original: English

## CHAPTER XIV OF THE BUDGETARY AND FINANCIAL RULES: FIXED ASSETS

November 2023



## Fixed Asset Management Policy

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## 1. Purpose

The purpose of this Fixed Asset Management Policy (“Policy”) is to define the key principles, framework, and requirements for the management of fixed assets owned and/or controlled by the General Secretariat of the Organization of American States (GS/OAS) as mandated by Executive Order No. 08-01.

## 2. Scope

This Policy applies to all tangible fixed assets owned and/or controlled by the GS/OAS. It further covers the fixed asset lifecycle, which includes acquisition, valuation, donation, record keeping, custodianship, use, transfer, retirement, and reporting of all property under the GS/OAS’s care and custody.

## 3. Definitions

**Acquisition cost:** consists of a fixed asset’s purchasing price and all directly attributable costs required to bring the fixed asset to working condition. For example, this may include the cost of site preparation; initial delivery and handling costs, including freight and insurance fees; installation costs; or professional fees for architects and engineers.

**Control:** exists when GS/OAS can use or otherwise benefit from the fixed asset in pursuit of its objectives and can exclude or otherwise regulate access of others to that benefit.

**Depreciation:** the gradual reduction in the value of a tangible or intangible asset over time due to wear and tear, obsolescence, or any other factor that affects the asset's usefulness or resale value.

**Fixed asset(s):** any property or equipment purchased or donated to GS/OAS and which is under the control of GS/OAS. Intangible assets such as software are not fixed assets under this Policy.

**Fixed assets accounts:** a category of accounts on the GS/OAS balance sheet that represent long-term, tangible assets. The purpose of fixed assets accounts is to provide a reliable and systematic record of the acquisition and disposal of real and tangible property.

**Fixed asset lifecycle:** the series of stages of an asset's life, which may include the planning that identifies need for an asset; acquisition/procurement; operation; consumption and depreciation; transfers and changes; repair and maintenance; inventory; and disposal.

**GS/OAS workforce:** consists of staff, CPRs, independent consultants, contractors, fellows, interns, and volunteers.

**Inventory:** the process of counting and verifying the existence and location of GS/OAS fixed assets typically done periodically. This process is essential for accurate record-keeping and financial reporting.

**OAS Connect:** the GS/OAS private network (intranet) that is accessible to GS/OAS workforce members or other authorized users of the GS/OAS. It is designed to facilitate internal communication, collaboration, and information sharing within the Organization of American States (Organization or OAS).

**Obsolete:** fixed assets that (a) through use, have lost their original conditions or characteristics and are no longer fit for purpose; or (b) cannot benefit from normal use because such use has become impracticable, inefficient and/or costly to operate and/or maintain.

**Pilferable asset:** an asset that can easily be removed from its location and converted into cash. Pilferable assets may include but are not limited to, electronic devices and computer equipment, such as laptops, CPUs, tablets, and other mobile computing devices, two-way mobile radio systems with programmed frequencies such as guard force channels, projectors, and cameras.

**Real property assets:** physical assets that have a significant value and are generally immovable or fixed in location. Real property assets typically include land, buildings, and any improvements to the land or buildings, such as fences, landscaping, or utility systems. Real property assets are not included in the scope of this policy.

**Service Request:** formal request made by a GS/OAS workforce member for a specific internal service. The Service Request tool is in OAS Connect under “On-line Tools.”

**Tangible Assets:** physical assets that have a significant value and can be weighed, measured, felt, or touched, or are in any way perceptible to the senses with an expected useful life of one year or longer. Tangible Assets typically include items such as machinery, equipment, furniture, vehicles, CPUs, laptops, cellphones, and other mobile information technology devices, fixtures, and other office equipment. These assets are also known as “fixed assets.”

#### 4. Delegation of Authority

Pursuant to Executive Order No. 08-01 the Department of General Services (DGS) shall be responsible for the asset management functions and administration of this Policy unless otherwise determined by the Secretary of The Secretariat for Administration and Finance (SAF).

Under Administrative Memorandum No. 51, The Reorganization of the Committee for Sales and/or Liquidation and/or Movable Property of the General Secretariat – hereafter “The Property Survey Board” is established to advise and recommend on the sale and/or liquidation of surplus and/or obsolete fixed assets. The Fixed Asset Manager shall serve as Technical Secretariat to The Property Survey Board, with support from the Fixed Asset Administrator.

##### 4.1 Roles and Responsibilities

###### 4.1.1 Fixed Asset Custodian

The Fixed Asset Custodian (FAC) is a GS/OAS workforce member entrusted with property or equipment belonging to the GS/OAS. GS/OAS workforce members assigned to one or more fixed assets will assume this role in connection with the assets assigned to their custody. FACs are responsible and accountable for all assets assigned to them. The DGS will assign one (1) FAC to all fixed assets of the GS/OAS.

###### 4.1.2 Asset Management Officer

The Secretary for SAF is the Asset Management Officer (AMO) for all GS/OAS locations. The AMO establishes Policy for the management and control of GS/OAS private property and oversees the

property management program operations. The AMO delegates to the Fixed Asset Manager at Headquarters the implementation of property management regulations and procedures, plus the provision of authoritative guidance in areas of receipt, storage, property accountability, inventory management, utilization, and disposal.

#### 4.1.3 Fixed Asset Manager

The Director of DGS at Headquarters is the Fixed Asset Manager (FAM) and provides oversight for all fixed asset management functions. The Fixed Asset Manager designates via e-mail the Fixed Asset Administrators for Headquarters, National Offices, and Missions.

The FAM is responsible for maintaining an effective Asset Management Framework of controls at Headquarters and other locations throughout the fixed asset lifecycle, primarily by designating responsible individuals for the following processes:

- i. Planning
- ii. Acquisition
- iii. Operation
- iv. Capitalization & Depreciation
- v. Transfer & Changes
- vi. Repair & Maintenance
- vii. Inventory Management
- viii. Disposal

The FAM ensures that: the periodic physical inventory of fixed assets is completed and reconciled; all necessary Property Survey Board actions are completed; and all required reports are submitted to the AMO.

The Fixed Asset Manager is to maintain clear accountability and is not authorized to delegate FAM's signature authority for any purpose, including when the FAM is temporarily absent at the time of inventory submission. In exceptional circumstances resulting from a prolonged absence, the AMO may transfer full FAM authority to another authorized staff member as temporary FAM.

#### 4.1.4 Fixed Asset Administrator

The Fixed Asset Administrator (FAA) is responsible for the administration of GS/OAS owned and/or controlled fixed assets. The FAA is responsible for direct oversight of the fixed asset management procedures and key functions. The FAA shall:

- I. Implement and maintain the GS/OAS Asset Management System.
- II. Manage the acquisition processes, coordinating with appropriate authorities.
- III. Ensure custody, care, and safekeeping of all fixed assets of the Organization under the ownership and/or control of the DGS, National Offices, or a GS/OAS program.
- IV. Ensure all sales, transfers, trade-ins, and donations of fixed assets are conducted properly and documented by appropriate authorities.
- V. Complete and reconcile the physical inventory of all fixed assets, ensuring necessary Property Survey Board actions are completed, and submitting required reports to SAF.

- VI. Ensure that the disposal of fixed assets is conducted properly and documented under appropriate authorities and disposed/retired in a timely manner to prevent accumulation in offices, warehouses, or other locations.
- VII. Prepare necessary documentation for the disposition of unneeded or no longer fit for purpose, lost or stolen, or damaged fixed assets for review by the Property Survey Board.
- VIII. Ensure all GS/OAS workforce members who are assigned fixed asset management duties receive required training.
- IX. Conduct periodic audits to the inventory of fixed assets to verify the accuracy of the asset management system records and reconcile discrepancies, as appropriate.
- X. Report theft, fraud, or misuse of fixed assets to the FAM and AMO accordingly.

#### 4.1.5 Property Survey Board

The Property Survey Board (PSB) is responsible for considering and approving all disposal requests in Headquarters, including property determined to be stolen or otherwise missing. The PSB acts on reported instances of missing, damaged, or destroyed GS/OAS-owned or controlled fixed assets that is referred to the PSB by the FAM. The PSB has the authority to determine financial liability, and to determine the extent of liability, for the property that is missing, damaged, or destroyed because of negligence, improper use, or willful action on the FAC's part, and to establish the amount of financial liability.

The PSB will consist of at least three members, all of whom must be staff members assigned to Headquarters. The PSB will include one chairperson designated by the AMO, one member from the Department of Financial Services (DFS), and one member from any GS/OAS organizational area except the SAF.

The PSB is to maintain actual and perceived independence from the asset management processes. PSB members must not include the AMO, FAM, or their staff. Other individuals who may not participate in the PSB include the individual involved, or the workforce member's supervisor, regarding items for which such individuals are accountable. If any member is thus ineligible, the PSB chairperson must appoint an alternate replacement for that survey action.

## 5. Fixed Asset Management Policy

### 5.1 General Principles

Those responsible for asset management shall be guided by the following principles:

- i. Ensure integrity, accuracy, and transparency in financial and administrative recording of fixed assets.
- ii. Ensure that acquired fixed assets are needed and maximize value for money throughout the asset's lifecycle.
- iii. Ensure the safeguarding of all GS/OAS owned and controls fixed assets.
- iv. Maintain fixed assets in such a manner that they continue to meet operational and service level requirements for the duration of their expected life.
- v. Safeguard GS/OAS interests in the disposal of assets.

## 5.2 Policy Statement

This Fixed Assets Management Policy is designed to help maintain uniform accountability of GS/OAS fixed assets, as well as to track and keep accurate inventory records for the control, maintenance, and disposition of assets according to this policy's requirements.

## 5.3 Management throughout Fixed Asset Lifecycle

Fixed assets owned and/or controlled by the GS/OAS shall be managed throughout the fixed asset lifecycle, which includes the asset's acquisition, operations, accounting & capitalization, transfer & changes, Inventory Management, and disposal.

### 5.3.1 Acquisition

GS/OAS fixed assets are most acquired through procurement, gift/donation, and trade-in, each of which shall be managed by DGS as follows:

#### 5.3.1.1 Procurement

The procurement of fixed assets must proceed through the Department of Procurement Services and Management Oversight (DPMO) in accordance with the Rules for Procurement Contracts set out in Executive Order 00-1 Corr. 1.

Fixed assets must be recorded by the DGS at the "acquisition cost" defined as the original purchase price of an item. The acquisition cost includes the amount paid to vendors/suppliers plus any transportation charges, installation/assembly, handling charges and storage costs, labor and other direct or indirect production costs (for goods produced or constructed), and outside services for designs, plans, or specifications, billed from sources other than the vendor, except fees for training and warranties.

#### 5.3.1.2 Gift or Donation

Fixed assets acquired by gift or donation must be recorded at fair market value or appraised value at the date of acquisition. Such a valuation must be determined at the time of receipt and appropriately documented by DGS.

#### 5.3.1.3 Trade-In

Fixed assets acquired by trade-in must be recorded by DGS for the total amount of the cash paid or payable plus the dollar amount assigned by the seller on the trade-in property.

Fixed assets acquired for indebtedness, or indebtedness plus cash must be recorded by DGS for the total cash paid plus the total liability, exclusive of interest. The fixed asset's related liability must be reflected in the fund that is being used to acquire the asset and recorded by DFS.

#### 5.3.1.4 Capital Leases

Fixed assets acquired through finance leasing must be recorded by DGS at the present value of the minimum payments of the lease agreement as of the date of the lease agreement, including direct



leasing costs. DFS calculates the present value of the lease and provides this value to DGS, which records the lease in the GS/OAS automated asset management system. A lease must be recorded as a capital lease if any of the following conditions are met: (1) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term; (2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise; (3) the lease term is for a major part of the remaining economic life of the underlying asset unless the commencement date of the lease falls at or near the end of the economic life of the underlying asset; (4) the present value of the sum of lease payments and any residual value guaranteed by the lessee not already reflected in lease payments equals or exceeds substantially the fair value of the underlying asset as of the date of lease commencement; or (5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

A lease that does not meet one of the above conditions is considered an operating lease and it is not recorded as a fixed asset.

### 5.3.2 Operation

The FAC is responsible for ensuring fixed assets assigned to her/him are appropriately used and secured and that lost, theft or damage to these assets be reported to DGS accordingly.

#### 5.3.2.1 Lost, Theft or Damage

A loss, theft, or damage to GS/OAS assets may be the result of accidental loss or damage, or unavoidable theft or robbery. Alternatively, it may be due to circumstances within a person's control, such as simple negligence, gross negligence, or willful misconduct on the part of individuals or groups of individuals.

The FAC must promptly report to the DGS all losses, thefts or damage of GS/OAS fixed assets assigned to them. If the missing asset has sensitive GS/OAS information (for example laptop, hard drive, cellphone), the FAC must also report the missing item to the Department of Information and Technology Services (DOITS).

DGS will determine the applicable value of the lost, stolen, or damaged asset, and record the circumstances of the loss, theft, or damage as (1) no fault of the person concerned (e.g., third party theft supported by a police report), or (2) simple negligence or carelessness (e.g., forgetting a phone or laptop on an airplane or at a security check point), or (3) gross negligence or willful misconduct (e.g., willful theft or leaving an asset unattended in a high-risk area). In such cases, the matter shall be referred to the Office of the Inspector General (OIG) and the Department of Human Resources (DHR) for review.

### 5.3.3 Accounting, Acquisition, Capitalization & Depreciation of Fixed Assets

DFS is responsible for recording the capitalization and depreciation of GS/OAS fixed assets. DFS shall apply the following methods and thresholds:

### 5.3.3.1 Annual Accounting

An annual account of fixed assets accounts must be prepared by DFS that includes: (1) A statement of assets and investments in fixed assets; and (2) A statement of changes in investment in fixed assets that reflects the acquisition and disposition of property over the course of the fiscal year.

DFS must prepare and maintain separate annual investments in fixed assets accounts.

### 5.3.3.2 Acquisition Accountability Threshold

The acquisition accountability threshold for tangible property to be recorded as fixed assets is USD 5,000 or more, including capitalized and sensitive property. If the GS/OAS establishes a system for automatic indexing of the dollar value of procurement thresholds, this dollar amount will automatically be adjusted for inflation according to that system, without requiring an update to this Administrative Memorandum. For example, if the threshold to record an asset is USD 5,000 and the procurement index rises by 5%, the accountability threshold shall automatically rise to USD 5,250. The DGS must maintain, publish, and apply current accountability thresholds for fixed assets to all fixed asset transactions.

Fixed assets that the DGS determines are vulnerable to loss or theft and with an acquisition accountability threshold value of USD 500 or more are pilferable assets that will be recorded by DGS upon acquisition.

The DGS must also record the total cost of an improvement as the capitalization of a fixed asset when it significantly extends the useful life of the fixed asset or its capacity to render service.

### 5.3.3.3 Capitalization

Fixed assets will be recorded by DGS as capitalized when a specific fixed asset possesses the three following attributes: (1) Tangible nature, (2) Useful life longer than a fiscal period, and (3) Equal to or more than USD 5,000. The capitalization thresholds shall be reviewed annually and adjusted if needed against the procurement index.

The DFS is responsible for recording and managing the fixed assets capitalization and depreciation in the GS/OAS asset management system.

### 5.3.3.4 Depreciation

Fixed assets of the GS/OAS must be depreciated on a straight-line basis over their estimated useful life as per the following standardized depreciation Table 1, shown below:

<b>Fixed Assets Category</b>	<b>Useful Life</b>
Collections	Not depreciated
Works of Art	Not depreciated
Land	Not depreciated

Fixed Assets Category	Useful Life
Buildings	50 years
Furniture and Fixtures	10 years
General Equipment	10 years
Computer Equipment	5 years
Technical Equipment	5 years
Motor Vehicles	5 years

Table 1. Fixed Assets Depreciation Category and Useful Life

Finance lease assets must be depreciated over the shorter of its useful life or the lease term.

The DFS is responsible for recording and managing fixed assets capitalization and depreciation.

#### 5.3.4 Transfers & Changes

##### 5.3.4.1 Transfers

The FAC must request the fixed asset's transfer of custody or physical move through a Service Request. Transfer or physical movement of an asset must be recorded by DGS. The act of physically moving fixed assets pursuant to a transfer of custody between individuals or organizational entities must be conducted by DGS authorized personnel.

All FAC terminating employment with GS/OAS must account for all property under their control and/or use prior to the agreed separation date.

All fixed assets transferred to DGS for storage, maintenance, repair, or disposal shall be under the custody of the FAA if not otherwise recorded in the asset management system.

##### 5.3.4.2 Changes

GS/OAS fixed assets must remain in GS/OAS buildings. GS/OAS workforce members must not remove an asset from any GS/OAS location without prior approval (see Form FA-78).

#### 5.3.5 Repair & Maintenance

The DGS is responsible for developing and implementing a fixed asset maintenance plan for applicable fixed assets and communicating any maintenance requirement and regime to the FAC.

The FAC is responsible for adhering to any required maintenance regime and promptly surrendering the asset to DGS for this purpose.

The FAC is responsible for reporting in-need-of-repair assets to DGS using a Service Request. DGS will determine the applicable value of the repair or replace and record the circumstances as (1) no fault of the person concerned (e.g., normal wear and tear), or (2) simple negligence or carelessness (e.g., dropping a phone), or (3) gross negligence or willful misconduct (e.g., inadequate, or unsafe use of the asset). The DGS will determine if the asset should be repaired or replaced.

DFS will determine if expenditures to repair capitalized assets shall be expensed as incurred or capitalized.

#### 5.3.6 Inventory Management

The DGS must conduct physical inventories of all fixed assets assigned to the Headquarters every two years. Secretariats and Departments based in Headquarters are required to assist DGS in the taking of a thorough and complete physical inventory of all property and equipment in the possession of the GS/OAS workforce.

OAS Representatives at all GS/OAS offices away from Headquarters and GS/OAS workforce responsible for Missions and Projects must conduct a physical inventory of fixed assets assigned to the National Offices and the Mission or Project (respectively) every year and report back to DGS any changes in inventory that must then be reflected in DGS inventory records in the form of additions or deletions.

The DGS will record and provide the National Offices, Missions, and Projects with the list of fixed assets assigned to them.

#### 5.3.7 Disposal

Control over the disposition of property shall be maintained to preserve the accuracy of records and ensure that fixed assets are safeguarded, improper disposal is avoided, and the best possible terms are received for disposal. A GS/OAS fixed asset shall be considered for disposal if the asset is no longer needed, no longer meets technological requirements, no longer functions and repairs are not cost effective, or has reached the end of its useful life.

The following methods of asset disposal are to be considered by the PSB in order of preference:

- i. Transfer assets to another OAS organizational entity for reuse;
- ii. Sell to private entities or individuals;
- iii. Trade-in to offset the cost of acquiring a new asset; in this transaction, the value of the old asset is applied as a credit towards the purchase price of the new asset;
- iv. Donate to a charitable institution (e.g., Goodwill, Salvation Army, etc.);
- v. Donate to a GS/OAS workforce member in "as is condition";
- vi. Recycle; or
- vii. Discard as scrap or junk because it is unusable.

Prior to the disposal/removal of laptops or CPUs, DOITS must verify that the device no longer contains any GS/OAS data.

##### 5.3.7.1 Approval for Disposal

All fixed assets in Headquarters require PSB approval prior to disposal (see Service Request). Secretariats, Departments, National Offices, Missions, or Projects are strictly prohibited from disposing of GS/OAS fixed assets on their own authority and without PSB prior approval.

The decisions of the PSB shall be recorded and must also include the date of the meeting, time, location, and name of the participants.

## 6. Communication of this Policy

The approved Policy will be communicated to relevant internal and external stakeholders, service providers and other relevant parties who require knowledge of the Policy through:

- i. An announcement on the OAS Intranet
- ii. Information/Training Sessions
- iii. Inclusion in the OAS online Policy Library
- iv. Distribution via e-mail to the GS/OAS workforce and stakeholders

## 7. Implementation, Monitoring and Review

The DGS is responsible for the implementation, monitoring, and review of this Policy. It is also responsible for establishing systems and procedures to ensure compliance with applicable accounting standards and the stewardship of pilferable assets that are not captured within the accounting definition of an asset.

## 8. Compliance and Enforcement

The DGS is responsible for monitoring compliance and enforcement of this Policy. Violations of this Policy are subject to disciplinary action prescribed by Executive Order No. 00-1 Corr. 1. and OAS Staff Rule 101.3.

## 9. Supporting Documents

### 9.1 Regulations

Executive Order No. 08-01  
Executive Order No. 00-1 Corr. 1.  
Administrative Memorandum No. 51  
Administrative Memorandum No. 58  
Administrative Memorandum No. 103  
Administrative Memorandum No. 109  
Administrative Memorandum No. 127  
Staff Rule 101.3

### 9.2 Standard Operating Procedures

SOP-123-DGS001 Fixed Asset Acquisition  
SOP-123-DGS002 Fixed Asset Transfers and Changes  
SOP-123-DGS003 Fixed Asset Repair and Maintenance  
SOP-123-DGS004 Fixed Asset Lost, Theft, or Damage  
SOP-123-DGS005 Fixed Asset Inventory Management  
SOP-123-DGS006 Fixed Asset Disposal

### 9.3 Forms

Service Request

- OAS Form FA01 – Record and Delivery of Assets
- OAS Form FA05 – Record of Physical Inventory
- OAS Form FA78 – Authorization for Removal of OAS and/or Personal Property
- OAS Form FA002 – Annual Physical Inventory Report
- OAS Form FA-591/592 – Declaration of Property as Inventory Surplus or Trash
- OAS Form FA-369 – Acquisition of Fixed Assets

10. Summary of New Versions of the Policy and Changes

Version No.	Summary of changes	Effective Date	Approver
AM123/Rev .1	Initial version	07/14/2023	Jananis
AM123/Rev .2	Clarification of defined terms. Section 5.3.3.2 correction of acquisition thresholds for National Offices from USD 2,000 to USD 5,000. Section 5.3.7.1 correction to define assets at headquarters (clarification). Additional grammar, syntax and stylistic changes.	11/01/2023	achacon