

AccountAble

What is a Fixed Assets Register?

A Fixed Assets Register (FA Register) is a register which shows all the permanent assets owned by an organization. The register shows the quantity and value of things like chairs, tables, fans, furniture, vehicles, land, buildings etc. It may also show where these assets are kept or used. Sometimes a serial number is also put on the item and noted here. Any assets that are sold are also recorded here.

Is it different from a Stock Register?

This register is sometimes confused with the stock register. However these are two different records. A stock register is maintained to keep record of goods received and issued. It is mainly used for items which are not permanent. A record of medicines or of wheat bags would be kept in a stock register. Normally a stock register does not show value of the items received or issued.

Why do you need such a Register?

An FA Register becomes very useful when the organization growing. Having this information can help you check whether all these assets are in your possession. The total value of these assets can also be cross-checked with Balance Sheet or ledger. This is why most Agencies insist on this Register.

Where can you get this register?

This type of a register is available in the market. You should ask at a shop which keeps government forms and stationery for companies. If you can't purchase this register, you can use the simple format given on page 3. Make about 80-100 photo-copies and have these bound in one register. Have all the pages numbered with a numbering machine. Insert two or three plain sheets in the beginning for an Index.

How do you maintain this register?

Different sheets are opened for different

Auditors and Funding Agencies often demand to see Fixed Assets Register. As a result, many NGO's have started maintaining such registers.



However, the format of the register is often very complicated. NGO's are also not clear why they should maintain the register and whether it has any practical use.

This circular addresses these issues. It explains the need for a register, offers a simplified format and also shows how the NGO can use the register for better control.

type of items. For example, all tables, chairs, almirahs etc. are written together on one sheet as Furniture. Similarly all cycles, motor-cycles, jeeps are written together on one sheet as Vehicles. You will need to open as many heads as the type of Fixed Asset accounts you have. After each type, you should leave a few sheets blank for future additions. Commonly the following classification is used (third column shows number of blank sheets that you may need):

Heading	Typical items	Sheets
Buildings	For school sheds, office building etc.	5
Equipment	For telephone, computer, cash box, music instruments, survey equipment etc.	30
Furniture & Fixtures	For chairs, tables, almirahs, wall units, partitions	20
Land	For own land	2
Livestock	For cows, buffaloes etc.	5
Machinery	For hand-looms, reeling machines etc.	10
Vehicles	For cycles, motor-cycles, jeeps, tractors, trucks etc.	5

Two Things to Remember...

There are two important things to remember here: Firstly, record is maintained only of those assets which are owned us. For example if a community center or tubewell has been constructed for the villagers, the villagers may be its owners. In such case, this item should not be recorded at all.

Secondly, if an item (such as land or furniture etc.) is received by us as a gift, it should also be recorded in the register. You may show an estimated value for this or record it at nil value.

We have not started it...

If this register is started in the early years, it can save a lot of trouble for you later on. But suppose 10-15 years have passed and you have not started this register. Here you may have two choices:

Old Vouchers available

1. If old vouchers are available, you can re-create your register. Proceed year by year. First pick up the *earliest* (first year's) Balance Sheet¹. See if any additions to fixed assets are shown. If yes, note down the amounts under various categories on a sheet of paper. Then take out the ledger, cash book and vouchers for that year. Open the ledger account of a particular asset and trace the voucher numbers. From the vouchers, note down the relevant details on another sheet of paper. Tally the total of this sheet with that noted earlier from the Balance Sheet. Proceed this way for each category. After all the details for that year are noted and tallied, enter these in the Fixed Asset Register. Follow the same procedure for next year and subsequent years. Remember, you must follow the sequence for the years.

Old Vouchers not available

2. If old vouchers are not available, you may have to divide your register into two sections. First go back to the earliest year for which vouchers are available. See the opening balances of fixed assets (category-wise) at the beginning of this year. Note down these balances as the opening balance for different categories of assets. After this, start recreating the Register from this year in the same manner as given above. You can call this Register as 'Register B'.

Next, sit down and try to recall / identify assets which were purchased before this period. Note down whatever details you can remember on a sheet of paper. If the purchase happens to be land or vehicles, you may get additional information from the title deeds or registration papers. Sort out the information according to categories. From these items, cut out the items which may have been sold or transferred later on. Now get another FA Register. Call this 'Register A'.

Enter the information in this register in the same manner as a normal FA Register. Some information may not be available – leave these columns blank. Total up the value figures for each category (if possible), otherwise leave it un-totaled.

Approval

After you have filled up this register to your satisfaction, have it approved and signed by the Secretary / Treasurer. You may want to write one sentence under each category (just above the signatures of the Secretary / Treasurer): "Certified that the above details reflect the assets in the Society's possession as on _____ (date) and have been recreated on the basis of information gathered from various documents / persons, in the absence for accounting records for old years."

¹ Sometimes the Balance Sheet does not show this information. In such cases, refer to the Receipts & Payments Account.

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Physical Verification

Just keeping the register is not enough. You should verify the assets physically once in a while. How often you verify depends on your situation. If you have many field offices, you may want to verify the assets there every year. Assets which are small and can be easily removed should also be verified each year.

When verifying the assets, you should get each department or location to prepare lists of assets they have in their custody. Some one from the main office can visit to cross-check these. These lists then should be compared with the FA Register. This is called 'reconciliation'.

All variations should be investigated. Some assets may have to be written off because these have been lost or have become unserviceable.



