

# **Property Management Manual**



**Royal Government of Bhutan**

**Ministry of Finance**





# Contents

<b>CHAPTER – I .....</b>	<b>1</b>
<b>GOVERNMENT PROPERTIES .....</b>	<b>1</b>
1.1 Introduction .....	1
1.2 Definitions .....	1
1.3 General Principles .....	2
<b>CHAPTER II.....</b>	<b>5</b>
<b>ACQUISITION AND ISSUE OF PROPERTY.....</b>	<b>5</b>
2.1 Acquisition of Property .....	5
2.2 Receipt, Inspection and Acceptance of Property .....	7
2.3 Issue of Property .....	8
<b>CHAPTER III .....</b>	<b>11</b>
<b>INVENTORY AND REGISTRATION OF PROPERTY.....</b>	<b>11</b>
3.1 Maintenance of Inventory of Properties.....	11
3.2 Registration of Non-expendable Property .....	11
3.3 Maintenance of Fixed Asset Register .....	12
<b>CHAPTER IV .....</b>	<b>15</b>
<b>MAINTENANCE AND UTILISATION OF PROPERTIES.....</b>	<b>15</b>
4.1 Schedule of Maintenance .....	15
4.2 Utilisation of Property .....	15
<b>CHAPTER V.....</b>	<b>17</b>
<b>PHYSICAL VERIFICATION AND UNSERVICEABLE ITEMS.....</b>	<b>17</b>
5.1 Physical verification of property .....	17
5.2 Unserviceable and Surplus Properties .....	18
<b>CHAPTER VI .....</b>	<b>21</b>
<b>DISPOSAL AND TRANSFER OF PROPERTY .....</b>	<b>21</b>
6.1 Disposal of Government properties .....	21
6.2 Transfer of property .....	22
<b>CHAPTER VII.....</b>	<b>23</b>
<b>REPORTING AND MONITORING .....</b>	<b>23</b>
7.1 Reporting and Monitoring of Government Property .....	23



<b>CHAPTER VIII .....</b>	<b>25</b>
<b>RELIEF FROM ACCOUNTABILITY .....</b>	<b>25</b>
8.1 Relief from Accountability of Government Property.....	25
<b>CHAPTER IX .....</b>	<b>27</b>
<b>PROCUREMENT, REGISTRATION &amp; USE OF VEHICLES .....</b>	<b>27</b>
9.1 Procurement of Vehicles.....	27
9.2 Registration, Insurance and Records .....	27
9.3 Pooling of Vehicles – General Rules.....	29
9.4 Use of Pool Vehicles .....	30
9.5 Inspection and Penalties .....	31
<b>APPENDIX – 1 .....</b>	<b>33</b>
<b>DEPRECIATION TABLE.....</b>	<b>33</b>
<b>PART II.....</b>	<b>35</b>
<b>PROPERTY MANAGEMENT FORMS &amp; INSTRUCTIONS.....</b>	<b>35</b>
PROPERTY REQUISITION FORM.....	37
FIXED ASSETS REGISTER .....	39
REPORT OF SURPLUS, OBSOLETE & UNSERVICEABLE PROPERTIES .....	41
PROPERTY TRANSFER NOTE .....	43
VEHICLE HISTORY SHEET .....	45
VEHICLE LOG BOOK .....	47
VEHICLE MOVEMENT ORDER .....	49



# Chapter – I

## Government Properties

### 1.1 Introduction

A major portion of total resources of the Government is spent every year on acquisition, improvement or construction of various kinds of properties. The expenditures incurred on such purposes reflect equivalent amounts of increases in the assets of the Government. It is therefore important for the Government to maintain an updated inventory of its properties at all times and ensure that those are properly maintained and utilised for rightful purposes, that their ownership do not get diluted and that there is always an officer who remains accountable in respect of a property.

Procedures for acquisition, improvement or construction of properties have been prescribed in Procurement Manual and Finance & Accounting Manual. Some of the procedures considered essential for up-keeping of proper inventories of all Government properties, establishment of and adherence to maintenance schedules, ensuring economic and rightful utilisation and establishment of accountability are prescribed in this Manual. These rules are not meant to be exhaustive or comprehensive as it is recognised that much will depend on the administrative and internal control measures adopted by the individual line agencies.

### 1.2 Definitions

1.2.1 Unless the contents are repugnant to the context, use of the following terms in these rules shall mean as follows:

- (1) **Expendable properties/materials:** Articles, which are consumed in use, such as fuel, stationery, medicines and spare parts, which lose their identity in the process.
- (2) **Equipment or Machinery:** The non-expendable properties other than land, buildings and other structures, having a useful life of more than one year, such as Motor vehicle, Plants,



Furniture, Office equipment, earth moving machinery, aircraft, computers etc.

- (3) **Government Agency:** An entity or unit of any administrative level, organisation or corporation of the Government.
- (4) **Head of the Department/Agency:** An officer exercising the over-all administrative, financial and technical control of a Government Department/Organisation and/or declared as such by the Government.
- (5) **Head of Office:** An officer exercising the administrative, financial and technical control of a unit and declared as such by the Head of the Department/Organisation.
- (6) **Non expendable Properties/materials:** Materials, which do not lose their identity, and ordinarily retain their original identity during the process or use, such as land, buildings, roads, bridges, equipment or machinery etc.
- (7) **Property Officer:** An officer delegated with the authority and responsibility for safe custody and utilisation of Government properties.

### **1.3 General Principles**

- 1.3.1 The responsibility for the proper accounting, safeguarding and utilisation of all Government properties shall primarily rest upon the Head of Office.
- 1.3.2 A Head of Office, without disowning his own accountability, may delegate the authority and responsibility for safe custody and utilisation of properties to subordinate officials, who shall be referred to as “Property Officers”.
- 1.3.3 All officials and organisations whose functions or duties permit or require possession or custody of Government property shall be accountable for the property and for the safe keeping of the property in conformity with laws, rules and procedures.
- 1.3.4 Any property received by a Government official on behalf of the Government shall be accounted for as Government property and recorded in the relevant records of the Government Agency.



- 1.3.5 Government property shall be recorded in the relevant records at the cost of acquisition or at assessed value.
- 1.3.6 Every Government official shall handle and use Government property with the same degree of diligence and care, which he would exercise in handling and using his own property.
- 1.3.7 Transfer of custody of Government properties shall be carried out through proper handing and taking over mechanism.







## **Chapter II**

### **Acquisition and Issue of Property**

#### **2.1 Acquisition of Property**

2.1.1 Property may be acquired by a Budget Agency in any of the following ways:

- a. Purchase
- b. Construction
- c. Production/Manufacture
- d. Confiscation or Seizure
- e. Transfer from one Government Agency to another
- f. Grant/Donation/Gifts

#### **1. Acquisition by Purchase:**

2.1.2 Except for land, buildings and vehicles, procurements or acquisition of properties by all Budget Agencies shall be governed by the rules and procedures prescribed in the Procurement Manual subject to the following conditions:

- a. A clearance from the Division of Information Technology shall be obtained for the specification of computers and software before initiating the procurement.
- b. Procurement of computers shall be made on the basis of specifications only and not by brand name or make.
- c. Commitments for procurement by import of any properties from third countries shall be made after obtaining import licenses from the designated authorities of the Government.

2.1.3 Procedure for acquisition of land and buildings shall be governed by Government orders issued from time to time.



2.1.4 Procurement of vehicles shall be governed by rules under Chapter IX of this Manual.

**2. Acquisition by Construction:**

2.1.5 Procurements by construction shall be conducted in accordance with rules under Chapter VI – Works Procedure and Accounting of the FAM.

2.1.6 The rules and procedures prescribed in the Procurement Manual shall be followed for procurements in connection with construction works.

**3. Acquisition by Production/Manufacture:**

2.1.7 Production shall include all items produced or manufactured by a Government Agency in carrying out its normal operations.

2.1.8 All Government Agencies shall be responsible for maintaining proper records to account for the items produced/manufactured by the Agency and their disposal.

2.1.9 The Government Agency engaged in production shall maintain records, which in addition to other details shall clearly record the following:

- a. Name of Agency
- b. Type of product including specifications
- c. Date of transaction
- d. Opening stock
- e. Quantity produced
- f. Quantity disposed
- h. Closing stock
- i. Physical verification details

**4. Acquisition by Confiscation/Seizure:**

2.1.10 The general principle applicable in all cases of confiscation/seizure of property shall be that the property confiscated shall be deemed



to be Government property, which shall be recorded and accounted for in accordance with the provisions of this Manual.

2.1.11 The confiscation/seizure shall be conducted in accordance with the relevant laws, rules and orders of the Government.

2.1.12 All Government officials confiscating/seizing any property shall be responsible for issuing a receipt for the property confiscated/seized immediately and account for the same as early as possible, but in any case not later than 15 days.

## **5. Acquisition by Transfer**

2.1.13 Transfer of properties between two entities of the Government shall be governed by the provisions under Chapter VI of this Manual.

## **6. Acquisition by Donation/Grants/Gifts:**

2.1.14 Properties received in the form of Grants or loans from the Development Partners shall be recorded and accounted for by the Government Agency in accordance with the provisions of Chapter VII of FAM.

2.1.15 The property received shall be reported to the Head of Office by the Government official within 15 days from the date of receipt. All relevant papers witnessing the receipt of the property or a certificate thereof indicating the value of the property shall be submitted to the accounting unit.

2.1.16 Properties of any kind received directly or indirectly by a Government Agency or Official in their official capacity shall be deemed to be Government property.

## **2.2 Receipt, Inspection and Acceptance of Property**

2.2.1 The Property Officer and/or a technically competent official nominated by the Head of Office shall inspect and examine the properties prior to acceptance to ensure that the quantity is correct and quality and other specifications have been complied with. The



supplier shall be given the opportunity to be present at the time of examination/verification.

- 2.2.2 In the case of complex machinery/equipment, inspection shall be carried out by the technically competent officials either at the factory, manufacturing premises or at the place of delivery, to be decided by the Head of the Department/Agency depending on the case.
- 2.2.3 The quantity of property to be accepted shall be determined after inspection, verification and examination of the articles by the officials responsible for inspection.
- 2.2.4 The quantity accepted shall be recorded in the relevant Stock Register/Fixed Assets Register and quantity rejected, if any, shall be returned to the party concerned immediately. If the property cannot be returned immediately, notice of rejected property shall be issued by the Property Officer to the party concerned indicating clearly that the property has been rejected and kept by the Government Agency at the risk and cost of the party concerned.

## **2.3 Issue of Property**

- 2.3.1 Requests for property shall be submitted in “Property Requisition Form” (PMM – 1) to the Property Officer with the approval of the Head of Office or an officer nominated by him.
- 2.3.2 If the items requested are readily available in stock, the Property Officer shall issue the property based on the approved Requisition Form. If the requested properties are not readily available, action for acquiring the property shall be taken after ascertaining the budget availability and other requirements.
- 2.3.3 The Property Officer shall obtain an acknowledgement of receipt of the property for items issued from a Suspense – Stock Account on a “Goods Issue Note” (FAM – 8.4), which shall be prepared for issue of those. Acknowledgement of receipt for other properties shall be obtained in the “Property Requisition Form” and/or pertinent Stock or Fixed Assets Register.



- 2.3.4 If the cost of consumable or non-consumable materials is directly charged as expenditure to specific activity/budget line, the value shall include the base cost, taxes, transportation, installation and commissioning unless these are provided for separately.
- 2.3.5 When issued from Suspense – Stock account of a Stores, the materials shall be valued at Weighted Average Cost<sup>1</sup> plus transportation and storage charges.

---

<sup>1</sup> See Note below Rule 8.2.5.1 in Chapter VIII of the FAM for Weighted Average Rate.





## **Chapter III**

### **Inventory and Registration of Property**

#### **3.1 Maintenance of Inventory of Properties**

- 3.1.1 The Stock Ledger and Bin cards of a Stores or Sales facility shall be considered as Inventory of properties held in Suspense – Stock Account.
- 3.1.2 The Property Officer shall maintain numerical accounts of the consumable articles like items of stationary in a Register of Inventories. The Stock Ledger in Form FAM – 8.1 shall be used for this purpose.
- 3.1.3 The Heads of Technical Departments and Dzongkhags required to plan, develop and maintain any or some of the following items shall maintain suitable central inventories with pertinent details and, in required cases, updated maps of them:
- a. Roads, bridges
  - b. Electrical installations including Diesel, Hydro and other Power Generating systems, H.V. Transmission systems including H.V. Sub/Switching stations, Distribution systems including Sub-station;
  - c. Farms, Pastures, Irrigation canals, Plantations;
  - d. Surveyed, developed, leased mines or quarries;
  - e. Water Supply Systems, Sewerage systems.

#### **3.2 Registration of Non-expendable Property**

- 3.2.1 Except for items mentioned under Rules 3.1.1 and 3.1.3, acquisition of other Non-expendable properties, either from a Suspense – Stock account or from other sources, shall be registered with the Department of National Properties (DNP) by submission of the following details:



- a. Name of the Office/Department
- b. Name of the item acquired
- c. Class, make or model of the item, e.g., in case of buildings – Semi-permanent, Permanent, Traditional, Single or multi-storied, Residential or non-residential, Year of construction; in case of equipment – Manufacturer, Model, Chassis/Engine/Serial number, RSTA Registration Number in applicable cases etc.
- d. Date of acquisition
- e. Cost of the item
- f. Source of Finance
- g. Location

3.2.2 The DNP shall register the item in their central inventory and allot an identification code to each item. The identification code shall be suitably established by the DNP to indicate the user agency, type and class of the property, year of construction / manufacture / procurement and DNP's registration number.

3.2.3 Except for items mentioned under rule 3.1.3, the identification code allotted by the DNP shall be indelibly written on the item for its easy identification. This identification code shall be used in all property records.

### **3.3 Maintenance of Fixed Asset Register**

3.3.1 The Fixed Asset Register shall be used to record all non-expendable properties. Complete details of the Fixed Assets such as cost of acquisition, specifications, depreciation, present location and the DNP's registration number shall be recorded. Depending on the number of classes of fixed assets, separate sections of the register shall be assigned or separate Fixed Asset Registers shall be maintained for recording different classes of fixed assets.

3.1.2 Receipts shall be obtained and maintained in the relevant Fixed Assets Registers for the non-expendable properties distributed to individual officials for use in their official capacities. All such receipts shall be renewed at least once in a year or whenever properties are returned, exchanged or reissued.





- 3.3.3 The Property Officer shall be responsible to maintain the Fixed Assets Register in Form No PMM – 2.
- 3.3.4 Depreciation on Fixed Assets shall be computed on Written Down Value method by applying the depreciation rates provided in Appendix – I.
- 3.3.5 Unless specifically provided for, no accounting entries shall be made in the books of accounts for charging depreciation on Fixed Assets as the assets are charged off on procurement in the Cash based accounting system.
- 3.3.6 The entries in the Fixed Assets Register shall be made as and when the transactions occur and the Property Officer shall ensure that the property records reflect the updated position at all times.





## **Chapter IV**

### **Maintenance and Utilisation of Properties**

#### **4.1 Schedule of Maintenance**

- 4.1.1 The relevant Technical Departments shall prepare schedules of routine maintenance works to be undertaken and prescribe the life periods in respect of different types of Non-expendable properties they are specialised in. The schedules shall be submitted to the DNP from time to time.
- 4.1.2 The DNP shall get these schedules accepted by the Government and prescribe their global application across the Government.
- 4.1.3 In absence of such orders, the manufacturer's recommended schedule of maintenance and prescribed life periods shall be followed in respect of heavy or sophisticated equipment and vehicles.
- 4.1.4 All Heads of Offices shall be responsible for observing the accepted maintenance schedules of Government properties

#### **4.2 Utilisation of Property**

- 4.2.1 All Government properties shall be used for the purposes for which they were acquired and issued. The official responsible for Government property shall ensure that the properties are safeguarded from loss, misuse, and unauthorised disposal.
- 4.2.2 The Head of Office shall ensure that utilisation of all Government property are monitored and controlled, only judicious and prudent expenditures are incurred and that unnecessary, excessive, extravagant and irregular expenditure are not incurred on the utilisation of properties.



4.2.3 The Heads of Departments/Agencies shall prescribe Logbooks in appropriate formats to be maintained for all fuel consuming machinery and equipment to record the utilisation of these items.

4.2.4 The fuel consuming equipment in-charge shall append a performance summary of the equipment at the end of each month in the Logbook.

Note – 1. The summary shall indicate the opening stock of approximate quantity of fuel at the beginning of the month, total quantity of fuel issued during the month, the approximate quantity of fuel at the end of the month, total fuel consumption during the month, performance indicators during the month and the average fuel consumption. The Head of Office shall obtain an explanation from the equipment in-charge in case of any substantial deviation from the rated fuel consumption, examine it and take suitable action to prevent misuse of fuel.

4.2.5 Utilisation of vehicles shall be guided by the rules in Chapter IX of this Manual.



## Chapter V

### Physical Verification and Unserviceable Items

#### 5.1 Physical verification of property

- 5.1.1 The Head of Department/Agency shall nominate an officer independent of the concerned Property Officer/s for conducting the Physical verification of properties at least once in a financial year. Such verifications shall be undertaken in order to:
- a. Establish ownership of properties;
  - b. Verify the actual existence of properties in accordance with the book balances and descriptions;
  - c. Verify existence of any lien or encumbrance on the properties;
  - d. Identify and report on properties that are surplus, obsolete, damaged or unserviceable.
- 5.1.2 In addition to the annual physical verification, the Head of Office/Department may order physical verification of either all the properties or any specific properties, at any time by officials nominated for this purpose.
- 5.1.3 Physical verification of expendable materials with specific expiry dates, such as, medicines, drugs, and medical supplies shall be carried out more than once in a financial year, frequency of which shall be decided by the Head of Office/Department concerned.
- 5.1.4 Physical verification of properties shall always be carried out in the presence of the Property Officer or a person deputed by him.
- 5.1.5 Along with his verification report the verifying officer shall submit a list of surplus, obsolete or unserviceable properties to the Head of Department or Agency in Form No. PMM - 3. A separate list of items found short or excess over the book balances shall also be submitted with the report.



Note – 1. Any variation between the book balance and physical balance found during the physical verification of properties shall be brought to account immediately so that the Property Records and Accounts represent the true position of the properties.

- 5.1.6 Loss or shortage of property shall be dealt with in accordance with the provisions of Section 1.7 in Chapter – I – Losses and Defalcations in the FAM.

## **5.2 Unserviceable and Surplus Properties**

- 5.2.1 Items of stock in the Stores or consumable items in excess over the expected requirements during a reasonable period of time as may be fixed by the Head of the Department/Agency or those not used during or over a similarly fixed period shall be treated as surplus.
- 5.2.2 Properties that are not likely to be utilised in the near future due to advanced technology or other factors shall be treated as obsolete.
- 5.2.3 A Head of Office/Property Officer shall be responsible to keep the stock of all properties under continuous review and ensure that accumulation of surplus, obsolete or unserviceable properties do not take place. Besides the physical verification undertaken at the instance of the Head of Department/Agency, the Property Officer/Head of Office shall also submit reports to the Head of Department/Agency on the surplus, obsolete, damaged or unserviceable properties in Form Nos. PMM – 3 whenever such cases are noticed.
- 5.2.4 On receipt of the reports on surplus, obsolete, or unserviceable properties, the Head of Department/Agency shall constitute a Property Inspection Committee of three officials representing the administration, finance and technical sections to inspect the properties reported in PMM – 3. The Committee shall take the following actions for submission of their recommendations:
- a. In the absence of prescribed or stipulated life period of an unserviceable item, or if such period is not over, the physical condition of the item and the history of its use shall be examined. If it transpires that the item was rendered unserviceable due to negligence, misuse or mischief, the same shall be clearly noted. Otherwise, an appropriate cause like normal wear and tear,



damages caused by accident, fire, flood and other natural causes, excessive use in the interest of works etc. shall be ascertained and noted.

- b. Where the prescribed/stipulated life period is already over, the physical condition of the item shall still be thoroughly examined to see whether it can be put to further economic use.
- c. The correctness of declaring an item as surplus or obsolete shall be ascertained from records and technical observations. It shall be ascertained and noted whether the surplus or obsolescence occurred due to procurements in excess of requirements, lack of foresightedness in procurements or some other reasons like abandonment of works etc

5.2.5 The Head of Department/Agency or an authority delegated with appropriate financial powers shall take the recommendations of the Committee into consideration and:

- a. Declare the items as surplus, obsolete or unserviceable and order handing over of such items to the DNP; or
- b. Initiate proceedings as per provisions under Part 1.7, Chapter – I of the FAM if the causes of damages or shortages/losses have been ascribed to suspected acts of negligence, fraud or mischief.

Note – 1. Declaration of properties as surplus, obsolete or unserviceable shall not necessitate issue of a separate “Write-off” order where the properties are physically present. Formal “Write-off” sanction orders shall be required in the cases where the properties are missing because of fire, flood, theft etc. and under circumstances at (b) above, depending on the result of proceedings.

5.2.6 The orders declaring properties as surplus, obsolete or unserviceable shall specify the reasons for declaring them as such, and a reference of the order shall be noted against the adjustment entries in the relevant property/stock records.

5.2.7 A separate record of properties declared as surplus, obsolete or unserviceable shall be maintained where the ultimate disposal, i.e. acknowledgement of receipt from the DNP or the sale reference of the items shall be noted.







## **Chapter VI**

### **Disposal and Transfer of Property**

#### **6.1 Disposal of Government properties**

- 6.1.1 The Department of National Property (DNP) or the agency authorised by the DNP shall be responsible for disposal of Government properties.
- 6.1.2 The Head of Office shall hand over the properties declared as surplus, obsolete or unserviceable at the earliest to the DNP unless a specific authorisation has been obtained from the DNP to dispose off the properties under own arrangements. An abstract of PMM – 3, giving the original cost, written down value, date of purchase etc. shall be attached with the Property Transfer Note (PMM – 4) to be used for the handing over.
- 6.1.3 The articles held under Empty Containers accounts or the unusable items held under the Dismantled materials accounts shall also be handed over to the DNP from time to time.
- 6.1.4 In order to ensure that the surplus, obsolete or unserviceable items fetch fair values, the handing over of such materials as well as their final disposal shall be conducted at the earliest after those are declared as such.
- 6.1.5 Disposal of all Government properties shall be carried out through public auctions unless otherwise stipulated by the Government.
- 6.1.6 Fixing of Reserve Price of Properties to be disposed off through public auctions or valuation of properties to be disposed off otherwise shall be done by the DNP.
- 6.1.7 After handing over of the property to the DNP or disposal under own arrangements under authorisation from the DNP, necessary



entries shall be made in the property records both at the DNP and the authority concerned.

## **6.2 Transfer of property**

- 6.2.1 Property Transfer Note (PMM – 4) shall be used to record transfer of property from one Government Agency to another, which are transferred either with or without cost, depending on the decision of the Government. A Copy of the acknowledged Property Transfer Note shall be sent to the DNP for updating their records.
- 6.2.2 Entries in the property records shall be made based on Property Transfer Note to record the details of transfer of property. Copy of the Fixed Assets Register entries in respect of the transferred Non-expendable Properties shall be made available to the transferee, which shall enter the relevant information in their own Fixed Assets Register.
- 6.2.3 In case of transfer of a Function or Activity or Project from one Government Agency to another, all the properties of the Function or Activity or Project shall be transferred to the Agency to which the said Function or Activity or Project is transferred.
- 6.2.4 When property is transferred from one officer/employee to another within the same Government Agency, the transfer shall be recorded in the corresponding Property Register. The old receipt shall be cancelled and/or returned to the former holder of the equipment, and a new receipt shall be obtained from the officer/employee to whom the property is re-issued.
- 6.2.5 The consignee or his representative shall qualify his receipt by noting loss, shortage, or damage, if any, in the delivery instrument when Government properties are transferred from one place to another.



## **Chapter VII**

### **Reporting and Monitoring**

#### **7.1 Reporting and Monitoring of Government Property**

- 7.1.1 Heads of Departments/Agencies and Heads of Offices shall monitor the upkeep of Government properties by way of physical verification as prescribed under Chapter V.
- 7.1.2 Heads of Offices shall provide details of Non-expendable properties acquired, received, transferred, disposed or written off to the DNP, as and when the transactions take place.
- 7.1.3 The DNP shall establish a central database for all Non-expendable properties with various Government Agencies in accordance with the provisions under Rule 3.2.2 and continuously update it.
- 7.1.4 While submitting budget proposals, the Heads of Departments / Agencies shall endorse a copy of the updated Asset Inventory to the DNP in Inventory Form Nos. I to V prescribed under the Budget Manual.
- 7.1.5 The DNP shall verify the Statement of Non-expendable Properties submitted by the Government Agency and ensure that all the Non-expendable properties have been properly accounted for.
- 7.1.6 At the end of each fiscal year, the DNP shall compile a report on all Non-expendable properties of the Government – by Agency.





## **Chapter VIII**

### **Relief from Accountability**

#### **8.1 Relief from Accountability of Government Property**

- 8.1.1 Heads of Offices/Property Officers shall be relieved of their accountability for surplus, obsolete, unserviceable and transferred properties, items held under Empties or Dismantled Materials Register with the handing over of such articles to the respective authorities under acknowledgement or their proper disposal under an authority from the DNP.
- 8.1.2 An official holding Government properties shall be relieved from the accountability on his handing over of the items to the Property Officer in reasonable conditions. Such an official shall obtain a clearance from the Property Officer before proceeding on extended leave of absence, transfer or retirement from the service.
- 8.1.3 When charges of property are transferred from one Property Officer to another Property Officer or from an outgoing officer to his/her successor, the relieved officer shall be cleared of his accountability on handing over of charges in accordance with and subject to the rules prescribed under Chapter II of the FAM.
- 8.1.4 Clearance of accountability for losses or damages of Government properties shall be subject to the rules prescribed under Section 1.7, Chapter I of the FAM.





## **Chapter IX**

### **Procurement, Registration & Use of Vehicles**

#### **9.1 Procurement of Vehicles**

- 9.1.1 The Ministry of Finance shall examine the existing fleet position and vehicle deployment pattern of an authority before allowing incorporation of provisions for procurement of vehicles in project agreements.
- 9.1.2 Before initiating procurement of any vehicle, explicit written approval of the Ministry of Finance shall be obtained for procurement of vehicles, irrespective of the source of finance, even if provisions for such procurement exist in the approved projects or annual budget.
- 9.1.3 Standard models of vehicles suitable for the specific needs, with power steering, if approved shall be procured. Procurement of luxury vehicles or vehicles with expensive optional items shall not be resorted to.
- 9.1.4 All light vehicles procured for Government Agencies shall be of white colour only.
- 9.1.5 Procurement of light vehicles shall be made within the cost ceilings prescribed by the Ministry of Finance from time to time.

#### **9.2 Registration, Insurance and Records**

- 9.2.1 All vehicles and items of road plying equipment shall be registered and insured in accordance with the provisions in the RSTA Act.
- 9.2.2 After registration in accordance with the RSTA Act, the vehicles shall be further registered with the DNP in accordance with Rules under Section 3.2 of this Manual.



9.2.3 A Vehicle History Book in Form PMM - 5 shall be opened and maintained for every Government vehicle.

- a. The following permanent details of the vehicle shall be recorded in the first page of the Vehicle History Book;
  - i. Registration No. of the RSTA;
  - ii. Identification Code allotted by the DNP;
  - iii. Insurance Policy Number and type of Insurance;
  - iv. Manufacturer's Name;
  - v. Model Name;
  - vi. Chassis No.;
  - vii. Engine No.;
  - viii. Model Serial No.;
  - ix. Extra fittings;
  - x. Spare Tools;
  - xi. Date of acquisition
  - xii. Cost including Taxes, Duties and Handling Charges
  - xiii. Any other costs involved in acquisition
- b. Salient points of Maintenance Schedule as prescribed in the Manufacturer's Manual shall be recorded in the second page;
- c. Details of transfers of the vehicle to different Projects, Offices, Departments etc., during the lifetime of the vehicle shall be recorded in the third page;
- d. Details of all maintenance and repair works including replacement of parts, tyres etc. with their costs shall be recorded from fourth page onwards.

9.2.4 A Vehicle Logbook in Form PMM – 6 Shall be maintained in respect of every Government Vehicle. The following procedures shall be observed in the maintenance of the Vehicle Logbook.

- a. An entry shall be made in the Logbook every time some fuel is issued to the vehicle;





- b. Starting and ending Km reading as well as name of stations and the purpose of utilisation shall be entered in the Logbook on every use of the vehicle.
- c. The officials using the vehicle shall sign on the entry of utilisation in the Logbook on each occasion.
- d. A summary of performance of the vehicle shall be appended in the vehicle Logbook at the end of every month in accordance with the provisions in Rule 4.2.4 in Chapter IV of this Manual.

9.2.5 The document of registration of the vehicle (Blue book), Insurance certificate and the Logbook shall be kept in the vehicle. It shall be subject to check by any authorised Agency of the Government any time.

### **9.3 Pooling of Vehicles – General Rules**

9.3.1 Except for staff cars placed on the duty of the entitled officers as decided by the Government from time to time, all light and heavy vehicles, irrespective of their sources of financing or projects to which those are attached, shall be pooled under the respective Heads of Offices.

9.3.2 The Heads of Offices, without disowning his own responsibility, may nominate a Property Officer (referred to as Transport Officer in these rules) to look after the management of Pool vehicles. The Transport Officer along with the Head of Department shall be responsible for proper maintenance, safe custody and judicious use of pool vehicles.

9.3.3 All pool vehicles, inclusive of project vehicles shall be used on a pool share basis by the office.

9.3.4 Heads of Departments shall obtain written approval from the Ministry of Finance for keeping some vehicles reserved for exclusive uses for specialised services like ambulances, fire tenders, mobile clinics or workshops, servicing/repairs & maintenance of public utilities etc.

9.3.5 When not in use, the pool vehicles shall be kept in the office compound of the Agency during and after office hours, weekends



and holidays. Pool vehicles shall not be kept in the residential compounds.

- 9.3.6 Pool vehicles shall be driven only by drivers appointed for the purpose. The drivers shall carry their vehicle driving licenses with them while driving a vehicle.
- 9.3.7 Vehicles procured for the purposes of a project shall be surrendered to the Ministry of Finance on completion of the project or term of the consultant as the case may be.

## **9.4 Use of Pool Vehicles**

- 9.4.1 Light pool vehicles shall be used for only official purposes like official travel, making field visits, carriage of small stores, transportation of cash/mail, hospitality, seminars and workshops/meetings.
- 9.4.2 Heavy pool vehicles shall be used for meeting official needs of transportation in connection with construction, maintenance, delivery of heavy or bulky articles, supplies, stores and equipment etc.
- 9.4.3 Use of pool vehicles for pressing and emergency needs of Government servants shall be permitted only with the prior approval of the Heads of Offices subject to the condition that the Government servant pays for the fuel and compensates any damage, in case of such eventuality, caused to the vehicle.
- 9.4.4 The movement of all pool vehicles shall be authorised by the respective Transport Officers by issue of movement orders in form PMM – 7. The movement order shall be kept in the vehicle during its movements.
- 9.4.5 The movement orders shall indicate clearly the specific nature of duty and the destinations.
- 9.4.6 The movement order books shall be kept in the custody of the Transport Officers and shall not be carried about in the vehicles.



## **9.5 Inspection and Penalties**

- 9.5.1 The Royal Bhutan Police are authorised to stop and inspect Government pool vehicles for ensuring strict observance of the Rules on use of pool vehicles. The relevant documents of any pool vehicle found on unauthorised or improper use shall be seized and forwarded by the Police to the RCSC, Thimphu, in all cases irrespective of location.
- 9.5.2 The defaulting official shall be levied a fine of Nu.1000.00 or a sum prescribed by the Government from time to time. The seized documents shall be released to the concerned Head of Office only on realisation of the fine.
- 9.5.3 Repeat offence shall be considered a major infringement and the offender shall be subject to appropriate administrative action by the RCSC.





## Appendix – 1

### Depreciation table

Sl. No.	Item	Method of Depreciation	Depreciation Percentage	Estimated useful life	Approximate Scrap value after useful life
1.	Land	Not applicable	Nil	Infinite	Most likely to be appreciated
2.	Building Permanent	Diminishing balance	3.5	70 Years	-do-
3.	Building Semi-permanent	-do-	10	25 Years	To be based on actual condition.
4.	Road Black Top	Not applicable	-	-	-
5.	Road Forest	-do-	-	-	-
6.	Bridge Permanent	Diminishing balance	3.5	70 Years	8.26%
7.	Bridge Semi-permanent	-do-	10	20 Years	12.6%
8.	Electrical installation	-do-	10	10 Years	34.83%
9.	Transmission line High Tension	-do-	5	50 Years	8.06%
10.	Transmission line Low Tension	-do-	10	20 Years	12.16%
11.	Sub-station equipment	-do-	10	20 Years	12.16%
12.	Generators	-do-	20	6 Years	26.20%
13.	Furniture, fixtures, fittings - Steel	-do-	8	12 Years	36.72%
14.	Furniture, fixtures, fittings - Wooden	-do-	10	10 Years	34.86%



<b>Sl. No.</b>	<b>Item</b>	<b>Method of Depreciation</b>	<b>Depreciation Percentage</b>	<b>Estimated useful life</b>	<b>Approximate Scrap value after useful life</b>
15.	Office equipment	Diminishing balance	15	6 Years	37.71%
16.	Vehicle – light (e.g. family car)	-do-	20	6 Years	26.21%
17.	Vehicles – medium (e.g. Small Pickup van)	-do-	20	6 Years	26.21%
18.	Vehicles – heavy (e.g. Truck etc.)	-do-	20	6 Years	26.21%
19.	Earthmoving and other machinery,- heavy (e.g. Bulldozer, Excavator etc.)	-do-	20	6 Years	26.21%
20.	Earthmoving and other machinery – medium (e.g. Tractor etc.)	-do-	20	6 Years	26.21%
21.	Earthmoving and other machinery – light (e.g. Power tiller etc.)	-do-	20	6 Years	26.21%



## **Part II**

### **Property Management Forms & Instructions**





# PROPERTY REQUISITION FORM

No.

**Date:**

[illegible]

☐ Items are required for office use.

Signature  
Date, Name and Designation

Requisition Approved

Signature  
Date, Name and Designation



## **Instructions for Property Requisition Form (PMM – 1)**

- |                          |   |   |
|--------------------------|---|---|
| Requisition              | : | This part shall be filled in by the person/officer placing the requisition.   |
| 1. No                    | : | Serial Number of the Form   |
| 1. Stores Requisition on | : | Name and address of the unit, which holds the stock of items.   |
| 2. No.                   | : | Serial Number of the Form   |
| 3. Date                  | : | Date on which the requisition is placed.  |
| 4. Sl.No.                | : | Serial number of the item   |
| 5. Name and description  | : | Description of the item requested for   |
| 6. Unit                  | : | Unit of measurement.  |
| 7. Quantity              | : | Quantity requested for.   |
| 8. Name of Work          | : | If cost of the items is required to be paid to or adjusted with a central procurement & supply unit.  |
| Details of Issue         | : | This part shall be filled in by the Property Officer.   |
| 9. Quantity issued       | : | Self-explanatory  |
| 10. Bin Card/L.F         | : | In the case of issue of materials from a Suspense – Stock A/C, the Bin Card No. in which the issue has been noted.<br>In the case of supply of charged off items, the Folio number of the appropriate Register of Inventory |
| 11. GIN No.              | : | Goods Issue Note No. in the case of supply of materials from Suspense – Stock A/C.  |
| 12. Date                 | : | Date of Goods Issue Note.   |
| 13. Remarks, Initials    | : | Initials of the Property Officer and remarks if any.  |
- 
- This form shall be used by individual officials for obtaining charged off office supplies, equipment, furniture etc., as well as by the Heads of Disbursing Offices for obtaining supplies from a Suspense – Stock A/C.
  - In the case of requests by individual officers for obtaining office supplies, the requisition shall be got approved by an authorised officer before placing the same to the Property Officer. The requesting official shall acknowledge receipt of the items both in the form as well as in the inventory register if so desired by the Property Officer.
  - The Property Officer shall maintain the serviced requisitions as vouchers against the records of issue of materials.

## FIXED ASSETS REGISTER

Manufacturer/Contractors Name and address \_\_\_\_\_

Description:  
Specification:  
Identification Number:

LOCATION

1

2

3

CATEGORY:BUILDING/MOTOR VEHICLE/OFFICE EQUIPMENT/OTHERS

[illegible]



## INSTRUCTIONS FOR FIXED ASSETS REGISTER (PMM – 2)

1. Description	: Brief particulars of the Asset	15. Addition:	
2. Specification	: Detailed specification of the asset like model No, Make etc.	a) Ref No.	: Any additional/capital expenditure on the asset with Cost Sheet/Vr. ref. should be entered
3. Identification No.	: Each asset should be marked with an identification No. allotted by the DNP.	b) Cost	
4. Base cost	: The cost of the asset including sales tax, excise duty etc.	16. Depreciation	: Depreciation for the financial year
5. Other Expenses	: All expenses on the transportation, installation, inspection and commissioning of the asset	17. Net book value	: Cost of acquisition + Addition – Depreciation
		18. Date of disposal/ transfer	: The date on which the asset was disposed off or transferred
		19. Disposed to/transferred to	: The name and the address of the party/agency to whom the asset is disposed off / transferred to
6. Total cost of acquisition	: The total cost at the time of commissioning (i.e. base cost & other expenses)	20. Ref No.	: The No. and date of Goods issue Note/Property Transfer Note of the disposal/transfer
7. Cost sheet ref. No./Vr.No.	: Self explanatory	21. Amount	: The amount received as sales consideration
8. Date of commissioning	: The date on which the asset is commissioned	22. Initial of property Officer	: Self explanatory
9. Manufacturer/contractors Name & Address	: Self explanatory	23. Remarks	: Any additional information/details
10. Category	: Please tick whichever is appropriate		
11. Location	: The place where the asset is commissioned. If at a later date, the location is changed, the location with the date of shifting should be specified		
12. Rate of depreciation	: Which is prescribed for the particular asset.		
13. Financial year	: The Financial year for which the entry is made		
14. Cost of acquisition	: The total cost of acquisition		

## REPORT OF SURPLUS, OBSOLETE & UNSERVICEABLE PROPERTIES

[illegible]

Property Inspection Committee:

3. Signature, Date  
Name  
Designation



## **Instructions for Report of Surplus, Obsolete & Unserviceable Properties (PMM – 3)**

1. Sl.No.	:	Serial number of the entry.
2. Name of the Property	:	Self-explanatory
3. Folio No.	:	Page number of the Register or Ledger.
4. Unit	:	Unit of measurement
5. Quantity	:	Quantity of the Property to be declared as surplus, obsolete or unserviceable
6. Original Value	:	Original value of procurement of the item.
7. Date of acquisition	:	Of the item being reported.
8. Condition	:	Physical condition of the item
9. Depreciated value	:	Depreciated value at the prescribed rate of depreciation in respect of unserviceable items only.
10. Recommendations	:	To be recorded by the Inspection Committee.

- This report shall be submitted to the Head of Department/Agency.
- Columns 1 to 9 shall be filled in by the Reporting Officer (Verification Officer or the Property Officer/Head of Office in case the latter sends the report)
- Column 10 shall be filled in by the Inspection Committee after inspection of the properties reported as surplus, obsolete or unserviceable.



PMM – 4.

(Name of Office – Transferor)  
**PROPERTY TRANSFER NOTE**

Transfer to:  
 Authorisation No and Date:  
 Mode of transfer:  
 Name & Address of transporter:  
 Vehicle No.:

**No.:**  
**Date:**

L.R. No. & Other ref No.:

Sl.No.	Code No.	Description	Folio	Qty.	Rate Nu.	Value Nu.	Remarks
..... (Prepared by) Name & Designation		..... (Approved by) Name & Designation					

Acceptance certificate:    Certified that the goods specified above have been received in good condition and entered in the Stock Ledger/fixed assets register

Store in charge/Property Officer  
 (Transferee)



## **INSTRUCTIONS FOR PROPERTY TRANSFER NOTE (PMM – 4)**

1.	Number	:	Property Transfer Note number should be preprinted.
2.	Date	:	Date of stock entry
3.	Transfer to	:	Name and address of the transferee
4.	Authorisation Number & Date	:	Reference number and date of the authority sanctioning transfer of stock
5.	Mode of transfer	:	Method of transferring the stock like hand delivery, truck etc.
6.	Name and address of Transporter	:	Self explanatory
7.	Vehicle No.	:	Self explanatory
8.	Lorry/receipt other ref. No.	:	Self explanatory
9.	Serial Number	:	Serial number for materials transferred in Property Transfer Note
10.	Code Number	:	Code number of the item if any allotted by the DNP
11.	Description	:	Brief description including specification of material transferred
12.	Folio	:	Page number of stock ledger/fixed asset register where in the Property Transfer Note is posted.
13.	Quantity	:	Quantity of material transferred
14.	Rate	:	Rate per unit of material transferred
15.	Value	:	Value of material transferred
16.	Remarks	:	Any additional information/details



**VEHICLE No.**

Page:

[illegible]



## **Instructions for Vehicle History Sheet (PMM – 5)**

All column titles are self explanatory.

- Page numbers of a book for Vehicle History Sheet shall be pre-numbered. The book shall be securely bound.
- Individual History Sheet Books shall be maintained for each vehicle.
- The first page of the History Sheet Book of a vehicle shall be utilised to record the following permanent details of the vehicle:
  - i. Registration No. of the RSTA;
  - ii. Identification Code allotted by the DNP;
  - iii. Insurance Policy Number and type of Insurance;
  - iv. Manufacturer's Name;
  - v. Model Name;
  - vi. Chassis No.;
  - vii. Engine No.;
  - viii. Model Serial No.;
  - ix. Extra fittings;
  - x. Spare Tools;
  - xi. Date of acquisition
  - xii. Cost including Taxes, Duties and Handling Charges
  - xiii. Any other costs involved in acquisition
- The salient points of maintenance schedule as prescribed by the manufacturer of the vehicle shall be noted in the second page of the book as a ready reference for strict observation of the same.
- The details of transfer of the vehicle among various units or Agencies of the Government shall be recorded in the third page of the book.
- The Vehicle History Sheet Books shall be maintained by the Transport Officer/Vehicle-in-charge and put up to the Finance Section each time some repairs and maintenance is undertaken.
- The Vehicle History Sheet Books shall be handed over to the new organisation in case a vehicle is transferred to another.

# VEHICLE LOG BOOK

[illegible]





## VEHICLE MOVEMENT ORDER

**No.**

**Date :**

1. Name of the Office :
2. Pool Vehicle No: :
3. Name of the Driver & his License No. :
4. Place/s to visit :
5. Purpose of Movement :
6. Officer/s to carry during the movement :
7. Time and Km. reading on Departure :
8. Validity of Movement Order :  
(Number of days/hours)
9. Time and Kilometer reading on :  
Return to parking place.
10. Signature (of the officer utilising :  
the vehicle or the Authorising Officer)

Signature (with name and designation)  
Of Authorising Officer



### **Instructions for Vehicle Movement Order (PMM – 7)**

- Item No. 5 : Specific purpose of the movements shall be recorded. Vague words like “Official duty” shall not be used to indicate the purpose of movement. If a Pool vehicle is authorised to be used on payment of hiring charges, the fact shall be mentioned here.
- Item No. 9 : Information shall be filled in by the vehicle utilising officer only if he comes back to the same office after completion of the movement. In all other cases, this information shall be filled in by the Authorising Officer on return of the vehicle.
- Item No. 10. : If the vehicle is detailed for carrying a number of officials to different places, signature shall be recorded by either the senior-most official of the group or the official carried to the last point of the movement.
- The Original copy of the Movement Order, duly filled in Logbook, Vehicle registration document (Blue book) and the Insurance certificate of the vehicle shall be carried in the vehicle during the movements.
  - The driver shall carry his valid driving license during the movements.
  - Office copies of the Movement Order book shall be maintained until the audit of the period is complete and cases, if any pertaining to the vehicle utilisation are settled.