

# DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

## ASSET PRESERVATION PLAN

### I. Objective

To ensure the sustainable and prudent management of Davao BIR Employees Multipurpose Cooperative's (DABIREMCO) assets, safeguarding their value and longevity for the benefit of our members.

### II. Asset Identification

1. Conduct a comprehensive inventory of all cooperative assets.
  1. Establish a dedicated team responsible for identifying and cataloging all cooperative assets. Included are the Administrative Officer, Accounting staff and representatives from Audit and Inventory Committee.
  2. Develop a standardized asset inventory template to capture essential information such as Asset Name, Acquisition Date, Location, Purchase Cost, and current condition.
  3. Cross-reference identified assets with existing documentation, including purchase invoices, receipts, and maintenance records.
  4. Document the entire asset identification process, including challenges faced and solutions implemented.
  5. Prepare comprehensive reports for the Board of Directors, highlighting progress and areas needing attention.
2. Maintain an updated Registry of Property and Equipment or its equivalent with details such as Property Number, Asset Name, Location, Acquisition Date, Purchase Cost, Estimated Useful Life of the Asset, Allowance for Depreciation and Book Value.
3. Property numbering:

00 – 00 – 0000 representing: year acquired – location code – sequence number

Location coding:

  - 01 – Office
  - 02 – Canteen
  - 03 – RDO 115
  - 04 – RDO 114
  - 05 – RDO 113A
  - 06 – RDO 113B
  - 07 -RDO 112
  - 08 – Others

### III. Asset Safeguard Protocol

1. Upon completion of the inventory by the designated team and with reference to Sec. 27 of the DABIREMCO Accounting Manual, all current assets will be safeguarded using the Acknowledgment Receipt of Equipment (ARE) within thirty (30) days. The template below illustrates the standardized process:

DABIREMCO  
ACKNOWLEDGEMENT RECEIPT OF EQUIPMENT

ISSUED TO : \_\_\_\_\_ DATE ISSUED: \_\_\_\_\_

| PROPERTY NO. | DESCRIPTION | LOCATION | ACQUISITION COST |
|--------------|-------------|----------|------------------|
|              |             |          |                  |
|              |             |          |                  |
|              |             |          |                  |
|              |             |          |                  |
|              |             |          |                  |

APPROVED BY:                      RECORDED IN ASSET REGISTRY:      RECEIVED BY:

\_\_\_\_\_

2. Assets acquired subsequent to this inventory will also be documented with ARE before release to the requisitioner and must be marked with pre-designed stickers containing an equipment number.
3. In the case of resignation, retirement, death, or elected officers no longer in office, clearance from the DABIREMCO Office is mandatory, and assets must be surrendered to the Administrative Officer.
4. The Administrative Officer is responsible for maintaining the Asset Registry and ensuring all assets are covered with ARE and stickers.
5. Stickers will be prepared and affixed to each asset.
6. Assets valued at P1,000.00 or less will be considered expendable items but remain accountable to the assigned personnel.
7. Unserviceable properties must be returned to the Administrative Section, duly documented by the receiving officer.

#### IV. Asset Acquisition

1. Defining criteria for acquiring new assets is crucial for ensuring that investments align with the goals and needs of an organization. An approval by the Board of Directors shall be secured prior to its purchase. The requisition for asset purchase shall include a brief description of the property to be procured to ensure that the acquisition aligns with the overall strategic goals and objectives of the organization.
2. Secure budget allocation and approval from the Board of Directors for acquiring assets.
3. Implement due diligence procedures before finalizing any acquisition.

#### V. Asset Maintenance

Asset maintenance is a fundamental aspect of our cooperative's operations, ensuring that the cooperative's assets, ranging from equipment to facilities, remain in optimal condition. Proper maintenance not only extends the lifespan of assets but also enhances operational efficiency, reduces downtime, and safeguards against unforeseen disruptions. . By adhering to these policies, we uphold the reliability and functionality of our assets.

##### 1. Responsibilities and Roles:

The Administrative Officer is tasked with preparing the Routine Maintenance Schedule for all listed properties and approved by the Manager. This information is then communicated to custodians, who collaborate with the Administrative Officer to execute the preventive maintenance schedule through the designated service provider. The custodians play a vital role in maintaining the cooperative's assets effectively.

##### 2. Maintenance Schedule:

DABIREMCO follow a structured maintenance schedule that outlines when various maintenance activities occur. This schedule encompasses preventive maintenance, regular inspections, and any periodic or seasonal tasks that contribute to the overall upkeep of our assets.

Maintenance Schedule Format:

| Prop. No. | Equipment/Asset | Maintenance Type (Routine/Preventive) | Maintenance Frequency | Service Provider | Custodian | Remarks |
|-----------|-----------------|---------------------------------------|-----------------------|------------------|-----------|---------|
|           |                 |                                       |                       |                  |           |         |
|           |                 |                                       |                       |                  |           |         |
|           |                 |                                       |                       |                  |           |         |

##### 3. Reactive Maintenance Protocols:

In case of unforeseen breakdowns, promptly report the incident to the Administrative Officer, who will document it in the log book. The Administrative Officer will swiftly seek management approval to initiate necessary repairs, meticulously recording the resolution process to minimize downtime and ensure a swift response to unexpected challenges.

VI. Asset Monitoring

The Audit and Inventory committee is tasked with conducting a periodic audit to verify the accuracy of the asset register, in accordance with the Internal Audit Policy of the Cooperative.

VII. Depreciation and Valuation.

As a component of the internal control framework, then accounting staff will systematically create a Lapsing Schedule, employing the suitable depreciation method and asset valuation as outlined in the Accounting Manual of DABIREMCO, ensuring an accurate representation of assets' current market values.

VIII. Insurance Coverage

Upon the Risk Management Committee's recommendation, or a similar governing body, if applicable, the implementation of insurance coverage for valuable assets will be contingent on a thorough need assessment to effectively mitigate potential risks. Should this measure be enacted, the Administrative Officer, under the Manager's guidance, will assume the responsibility of maintaining current insurance policies and verifying their adequacy in providing comprehensive coverage.

IX. Disposal Procedure

The Board of Directors, following the Manager's recommendation and consideration of the following factors may approve the asset disposal:

1. Condition: Assess the physical condition of the asset. If it's outdated, obsolete, or requires frequent repairs, it may be a candidate for disposal.
2. Utility: Evaluate whether the asset is still fulfilling its intended purpose. If there are newer alternatives that offer better efficiency or features, it might be time to dispose of the current asset.
3. Cost of Maintenance: If the cost of maintaining the asset becomes prohibitively high compared to the benefits it provides, it may be more economical to dispose of it.
4. Technological Obsolescence: In rapidly evolving fields, technological advancements may render an asset obsolete. Consider if newer technologies provide more value.
5. Depreciation: Assess the asset's depreciation over time. If the value has significantly decreased, it might be financially advantageous to dispose of it.
6. Market Value: Compare the current market value of the asset with its book value. If there's a considerable difference, it could influence the decision to dispose of the asset.

7. **Regulatory Compliance:** Ensure compliance with environmental regulations and ethical disposal practices. Improper disposal can lead to legal and reputational issues.
8. **Strategic Alignment:** Consider the asset's alignment with your organization's strategic goals. If it no longer contributes to the overall mission, it might be time to let it go.

Establishing a clear set of criteria based on these factors will help informed decisions about when to consider an asset for disposal.

In closing, the Asset Preservation Plan underscores DABIREMCO's unwavering commitment to safeguarding and optimizing our valuable assets. Through a strategic and proactive approach to maintenance, we aim to enhance the longevity, reliability, and efficiency of the cooperative's assets, ensuring sustained operational excellence.

By adhering to robust maintenance policies, assigning clear responsibilities, and following structured maintenance schedules, DABIREMCO is poised to minimize downtime, reduce operational risks, and uphold the cooperative's overall resilience.

Our dedication to continuous improvement is reflected in the meticulous record-keeping practices, ongoing training initiatives, and key performance indicators that guide our asset maintenance efforts. This commitment ensures that we not only meet but exceed industry standards, providing our members with the assurance of a cooperative that thrives on efficiency and sustainability.

As we embark on this journey of asset preservation, we extend our gratitude to every member, employee, and stakeholder who plays a pivotal role in the success of DABIREMCO. Your collaboration and support are instrumental in realizing our vision of a cooperative that stands resilient, efficient, and prepared for the challenges and opportunities ahead.

Together, we look forward to a future marked by the continued excellence of DABIREMCO, where our assets serve as pillars of strength, contributing to the prosperity and satisfaction of our cooperative members. Thank you for your commitment, and may our cooperative thrive through the effective preservation of our invaluable assets.