



IFMS

Fixed Assets Module

IFMS RE - IMPLEMENTATION

Assets Management Department – Accountant General's Office

Planners' Training 15th Jan - 2024




01



Training Agenda

The Planners' Concern

- Introduction
- The Chart of Accounts
- The Item Master
- Requisitions & LPOs
- Development Vs Capital Expenditure
- Capital Maintenance Vs Revenue Maintenance
- Common Budget lines affected
- Budget execution transactions on the systems
- System features and controls as per the Budget
- Planning for Assets

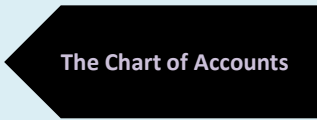
Assets Management Department – Accountant General's Office




Overhaul of the Assets Series / CoA

02

- Following GFS and IPSAS, the GoU chart has been revised to cater for all assets under the public sector.
 - a) Produced Assets (31)
 - b) Inventories (32)
 - c) Valuables (33)
 - d) Non Produced Assets (34)
 - e) Financial Assets (35)
- The current CoA has 13 Assets categories Vs the new 64 categories in total



The Chart of Accounts



Development Vs Capital Expenditure

03

- Capital Expenditure is do more with the acquisition of Assets. Some development expenditure is on recurrent in nature.

Budgeting for Work in Progress

- If an asset is under construction from previous years, this is still in the process of acquisition budget should be on (312XXX).
- As well maintenance budget lines (**313XXX**) should **exclusively** be used to budget for improvement of existing assets. This can also include asset under the category of **building and structures** still under work in progress if they are in use.



Capital and Revenue Expenditure

04

This can simply be referred to as assets and expenses

- Capital expenditure is for acquisition of assets or to improve the quality of existing ones. (These have been provide for as per the coding regimes above. (312XXX and 313XXX)
- Revenue expenditure is to maintain everyday operations. All 2 series are revenue but in relation to maintenance of assets specific accounts were provided.



Revenue expenditure Accounts for Asset Maintenance

05

228 Maintenance (For accounts for the broader Categorization)

228001 Maintenance – Buildings and Structures

For materials, supplies and parts used in the repair and minor rehabilitation or restoration of infrastructure in respect of buildings, Grounds, Roads, Bridges, Airports and Airfields, Oil Pipelines & reservoirs, Irrigation and drainage Channels, Water Plants, pipelines and sewerage networks, Power lines, stations and plants, wetlands, riverbanks, lakeshores, hilltops, rangelands etc.
Major repairs will be capitalized under the respective asset codes (3131 Buildings and Structures).



Revenue expenditure Accounts for Asset Maintenance

06

228 Maintenance

228002 Maintenance – Transport Equipment.

- For minor repairs of transport equipment. Examples include Heavy Vehicles, Light Vehicles, Water Vessels, Aircrafts, Train Engines and Wagons Cycles and Other Transport equipment. Included here too shall be the cost of embracing repairs (e.g. Garage services), spares, supplies, tyres, etc. **Major repairs will be capitalized under the respective asset codes** (31321 Transport Equipment).



Revenue expenditure Accounts for Asset Maintenance

07

228 Maintenance

228003 Maintenance – Machinery & Equipment other than Transport Equipment

- Expenses on minor repairs and maintenance of machinery and equipment other than transport equipment. Eg. Light ICT hardware, Heavy ICT hardware, Television and radio transmitters, Other ICT Equipment (TVs, Radios, Videos, Digital cameras, telephone sets), Office Equipment, Electrical machinery, Medical & Laboratory appliances, Precision and optical instruments, Furniture and Fittings, Musical instruments and Sports Equipment. **Major repairs will be capitalized under the respective asset codes** (31322 Information, Computer and Telecommunications Equipment and 31323 Other Machinery and equipment).



Revenue expenditure Accounts for Asset Maintenance

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228 Maintenance

228004 Maintenance – Other Fixed Assets

- For expenses on minor repairs and maintenance of assets other than those listed under 3121 and 3122. Examples include biological assets, intellectual property products among others. ***Major repairs will be capitalized under the respective asset codes (3133 Other fixed assets).***



Commonly Affected Accounts

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- Most commonly affected accounts include
 - ❑ 2252 Consultancy Services- Capital – Only when its not known yet.
 - ❑ 227004 Fuel, Lubricants and Oils – Road maintenance not charged here.
 - ❑ 221008 Information and Communication Technology Supplies. – which is Meant for cost of accessories
 - ❑ 221012 Small Office Equipment – meant for; kettles, spoons, forks, calculators, stapling machines, pen-holders, punches, paper trays, pin and staple holders, type writer
 - ❑ 221016 Systems Recurrent costs meant for; systems equipment maintenance, software upgrades etc.
 - ❑ 222001 Information and Communication Technology Services – eg emails
 - ❑ 223001 Property Management Expenses – not for capital maintance.
 - ❑ 224001 Medical Supplies and Services – Not for medical equipment
 - ❑ 224003 Agricultural supplies and services – Not for agricultural equipment
 - ❑ 224005 Laboratory supplies & services – Not for Laboratory equipment
 - ❑ 224009 Classified Expenditure – Recurrent and not related to any declassified above

- Note all expenditure directly attributable to acquisition of an asset should be budgeted and charged on the respective assets code in 312XXX and 313XXX***



Other Commonly Transaction

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Donations

☒ 282101 Donations

For voluntary donations by a government unit to non-government charitable institutions or individuals serving households to cover those institutions' costs of production and such other similar costs. Such as goods and services from market producers that are distributed directly to households for **final consumption** other than social benefits. **Assets should be on assets codes**

Transfers

To Non-Government

☒ 282201 Contributions to Non- Government Institutions

capital transfers by government to Non- Government institutions. Transfers to government units should be coded under the 263series.

To other Government Units (263)

In general, these are contributions (other than loans) made by one government unit to another government unit for purposes of current expenses and not linked to or conditional to the acquisition of assets by the recipient.



Other Commonly Transaction Cont..

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Taxes

Taxes such as VAT relating to assets should be included in the cost of the assets and budgeted on the respective asset code (312XXX and 313XXX)

Tax expenditures / Refunds - Those that are met by MoFPED are excluded for the Vote budget but included in MoFPED

- ☒ 282301 Transfers to Government Institutions
- ☒ 282302 Transfers to Non-Government Organisations (NGOs)
- ☒ 282303 Transfers to Other Private Entities



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TRANSACTIONS ON SYSTEMS



The Item Master Implementation:

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♣ Standard Items List (Assets & Non Assets)

- A list of items that cost Centre managers will select in the requisitioning process, for initiation of a procurement process.
- These are implemented in all systems for harmonization of transactions, integration and reporting.

♣ Mapping to the Chart of Accounts

- The items are mapped to their respective CoA natural accounts from which they are meant to be budgeted for and paid.

♣ Systems Usage & Integrations

- These are implemented in all systems for harmonization of transactions, integration and reporting. eGP, PBS, and IFMS etc.



Systems Features and Controls:

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♣ Requisitions & Purchase

- Standard list of Items in the Item Master with a mapping to the respective account. Eg **Pick-up to 312212 Light Vehicles - Acquisition**

**Both on IFMS and e GP differentiating Capital and revenue expenditure Items
GoUCAPEX01 and GoUOPEX01 – Numbering sequence**

♣ Invoice Creation, Validation & Approval

- Direct Invoices (Without LPOs)
- LPO invoices
- System check for Assets Number

♣ Instant Update of the Asset Register

- All 312XXX result into new assets on the register of CIP
- All costs charged on 313XXX are added to existing asset in the assets register. (System check for Assets Number)



PLANNING FOR ASSETS



ASSETS PLANNING

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Strategic plans

As stipulated in S6.1.2 in the **Asset management Framework and Guidelines (AMFG)**, each Vote shall prepare an Asset Management Strategic Plan in line with the Development plan and National Development Plan III to deliver the Vote's mandate.

The asset Strategic plan shall cover a minimum of 3 years and shall include details of the assets that will be required by the Vote and the operation, maintenance, replacement and disposal requirements for the assets. The assets to be acquired will be incorporated into the assets acquisition plan.

The Strategic plan complements the other elements of the vote strategic plan: human resources, information technology and financial resources among others. The planning processes provided here equally apply to all the GoU assets categories; tangible, intangible



ASSETS PLANNING

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Asset Management plans

Accounting Officers should prepare an Asset Management Action plan which shall cover the 12 months for the next financial year. It shall be derived from the 3-year assets strategic plan. The action plan shall be costed annually and included in the budget estimates. The should include the following:

- ❖ Assets acquisition.
- ❖ Assets maintenance.
- ❖ Assets replacement.
- ❖ Assets disposal/divestment
- ❖ Assets Strategic Plan
- ❖ Assets Management Plan



ASSETS PLANNING Templates

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A. Assets Strategic Plan Template-*Appendix 4 AMFG*

S/N	Asset Description	Required Units	Available units	To be acquired (Units)	To be disposed of (Units)	Date of acquisition	Mode of acquisition	Cost Estimate UGX	Justification
1	Motor Vehicle	5	43	3	2	1 st -May -2020	Direct Procurement	250m	Pickup for field Inspection.



ASSETS PLANNING Templates Cont...

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B. Assets Management Plan-*Appendix 5 AMFG*

S/N	Asset Sub-class	Balance (Units)	Acquisitions (Units)	Disposals (Units)	Balance (Units)	O&M Costs (UGX)	Disposal Proceeds (UGX)	Cost Acquisition (UGX)	Comment
		1 st July			30 th June				
01	Tractor	7	2	1	8	2.6	0.6	130m	Fully depreciated and lack of spare parts



ASSETS PLANNING Templates Cont...

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Appendix 12 – Assets Maintenance Form

S/N	Asset Class	Asset Subclass	Asset Description	Asset Code	Serial No.	Date acquired	Date last maintained	Maintenance Details	Next maintenance date	Comments
078	Transport Equipment	Omnibus	Staff Van	01051987N	48762G	June 2017	February 2020	Routine	June 2020	Very good condition



ASSETS PLANNING Templates Cont...

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Appendix 6 – Divestment Plan

S/N	Asset Class	Asset-Subclass	Original asset value UGX	Method of disposal	Location of Asset	Quantity	Reserve price UGX	Date of approval by AO	Comments
001	Transport equipment	Light vehicles (station wagon)	250m	auction	MoFPED headquarters	1 unit	60m	30thAug 2019	Frequent breakdowns uneconomical to repair



END

