



REPUBLIKA E KOSOVËS - ZYRA E PRESIDENTIT
REPUBLIC OF KOSOVO - OFFICE OF THE PRESIDENT
REPUBLIKA KOSOVO - KANCELARIJA PREDSIEDNIKA

**ADMINISTRATIVE INSTRUCTION (SZP) NO. 01/2018
ON THE MANAGEMENT OF NON-FINANCIAL ASSETS IN THE
PRESIDENCY**

Prishtina, March 27, 2018



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REPUBLIKA KOSOVO - KANCELARIJA PREDSIEDNIKA

The Secretary of the Office of the President,

Pursuant to Article 17 of Law No. 03/L-094 on the President of the Republic of Kosovo (OG, No. 47, January 25, 2009), Article 18 of Regulation (P) no. 02/2016 on the Organizational Structure of the Presidency (08.09.2016), and Articles 4, 8, 18 and 25 of the Regulation (MoF) no. 02/2013 on the Management of Non-Financial Asset by Budget Organizations (18.11.2013), issues:

**ADMINISTRATIVE INSTRUCTION (SZP) NO. 01/2018 ON THE
MANAGEMENT OF NON-FINANCIAL ASSETS IN THE PRESIDENCY**

CHAPTER I – GENERAL PROVISION

Article 1
Purpose

This Administrative Instruction sets out the internal rules and procedures for documentation, receipt, registration, preservation, alienation, stocktaking and evaluation of non-financial assets in the Presidency

Article 2
Scope

This Administrative Instruction is implemented by the Department of Administration and Budget and the respective units of the Presidency.

Article 3
Definitions

1. The expressions used in this Administrative Instruction have the following meaning;
 - 1.1. **Presidency** – the headquarters of the official activity of the President, which includes the President's Cabinet, the Office of the President and other related institutions/units;
 - 1.2. **Office** – The Office of the President of the Republic of Kosovo;
 - 1.3. **Secretary** – The Secretary of the Office of the President of the Republic of Kosovo;

- 1.4. **LPFMA** – Law No. 03/L-048 on Public Financial Management and Accountability (OG, No. 27, June 03, 2008), amended and supplemented by: Law No. 03/L-221 (OG, No. 76, August 10, 2010); Law No. 04/L-116 (OG, No. 20, July 18, 2012); Law No. 04/L-194 (OG, No. 28, August 7, 2013); Law No. 05/L -063 (OG, No. 1, January 6, 2016) and Law No. 05/L-007 (OG, No. 13, April 21, 2016);
 - 1.5. **Regulation (MoF) No. 02/2013** – Regulation (MoF) No. 02/2013 on the Management of Non-Financial Assets by Budget Organization (November 18, 2013);
 - 1.6. **Official** – all employees, contracted and engaged in one form or another in the Presidency;
 - 1.7. **General Asset Register**- is a complete and accurate list of all non-financial assets owned by the Presidency, which means the Register of Capital Assets, Non-Capital Assets and Stocks, regularly updated and that, in addition to the use for asset management, is also used to supported the data reported in the financial statements
 - 1.8. **KFMIS** – Kosovo Financial Management Information System
2. The other terms used in this Administrative Instruction have the same meaning as in the definitions of the LPFMA and Regulation (MF) Nr. 02/2013

Article 4

The responsible persons for the preservation of non-financial assets

1. Every officer and contractor of the Presidency is responsible for the non-financial assets in his/her possession and under his/her supervision, against loss, theft, misuse and unauthorized use of them.
2. All organizational units of the Presidency are obliged to take the necessary measures, according to the responsibilities of their scope, for the documentation, storage, recording, alienation and reporting of non-financial assets for the purpose of effective, efficient and economic management of the protection of non-financial assets from damage and misuse.

CHAPTER II – CLASSIFICATION OF NON-FINANCIAL ASSETS

Article 5

General Classification of Non-Financial Assets

The overall classification of non-financial assets in the Presidency is done in accordance with Article 5 of Regulation (MF) Nr. 02/2013.

Article 6

Accounting classification of non-financial assets

1. The non-financial assets of the Presidency, within the meaning of this Administrative Instruction, includes all the assets of the Presidency, which according to the accounting classification is:

- 1.1. Non-financial capital assets;
- 1.2. Non-financial non-capital assets, and
- 1.3. Stocks.

Article 7

Classification of non-financial assets from the management aspect

1. The classification of non-financial assets from the management aspect is divided into the following categories:
 - 1.1. The assets located in the depot of the Presidency;
 - 1.2. Assets in use and owned by the Presidency, irrespective of their location:
 - 1.2.1. in use by the personnel;
 - 1.2.2. within the Presidency's working space, or
 - 1.2.3. in the space of another budget organization.

CHAPTER III – MECHANISMS ON THE MANAGEMENT OF NON-FINANCIAL ASSETS IN THE PRESIDENCY

Article 8

Non-Financial Asset Officer and Admission/Logistics Officer

1. The Secretary appoints a Non-Financial Asset Officer by decision. The duties of the Asset Officer can only be a part of the full work in the Presidency.
2. The Secretary appoints an Admission/Logistics Officer by decision. The duties of the Admission/Logistics Officer can only be a part of the full work in the Presidency.
3. The duties of the Asset Officer and the Admission/Logistics Officer can not be performed by the same official in the Presidency.

Article 9

Non-Financial Asset Officer

1. The Non-Financial Asset Officer shall be responsible for registration, supervision and maintenance of the General Assets Register containing all information required under provisions of this Administrative Instruction and the relevant legislation in force.
2. The Non-Financial Assets Officer shall duly register all non-financial assets in the Assets Register and accounting registers based on documents confirming that assets are in ownership and supervision of the Presidency.
3. The Non-Financial Asset Officer has no right to:
 - 3.1. to be a member of Commission for the Evaluation of Non-Financial Assets;
 - 3.2. to be a member of the Commission for the Stocktaking of Non-Financial Assets;
 - 3.3. to decide on issues related to asset alienation.

Article 10
Admission/Logistics Officer

1. The Admission/Logistics Officer is responsible for the receipt, depositing and granting of non-financial assets to the staff of the Presidency, and for keeping accurate records of non-financial assets reserves of the Presidency.
2. The Admission/Logistics Officer has no right to:
 - 2.1. to be a member of Commission for the Evaluation of Non-Financial Assets;
 - 2.2. to be a member of the Commission for the Stocktaking of Non-Financial Assets;
 - 2.3. to decide on issues related to asset alienation.
3. The Admission/Logistics Officer shall work under the Department of Administration and Budget, namely the Division of Logistics and Transport in the Presidency.

Article 11
Non-Financial Assets Admission Commission

1. The Secretary, by decision, establishes an *ad hoc* Non-Financial Assets Admission Commission, consisting of at least three (3) members, from relevant field experts, including the officer with material liability. External experts may also be members of this commission if necessary.
2. The Non-Financial Assets Admission Commission has the responsibilities to verify the quantity, quality, type and value of the non-financial assets received and documented with the records that are in accordance with the contract or purchase order.
3. The Non-Financial Assets Admission Commission attaches the record to the case and submits it to the Admission/Logistics Officer for further procedure in accordance with the relevant legislation in force.

Article 12
Non-Financial Assets Inventorying Commission

1. The Secretary, by decision, establishes an *ad hoc* Non-Financial Assets Inventorying Commission, consisting of at least three (3) members, who are officials of the Presidency.
2. For specific assets, on the cases of confirming accuracy and quality of inventory assets, in the absence of an expert from the Presidency, a member of the Non-Financial Assets Inventorying Commission can be appointed any official of other budgetary organizations or a foreign expert.
3. The responsibilities of the Non-Financial Assets Inventorying Commission are as follows:
 - 3.1. Inventorying of all non- financial assets owned and controlled by the Presidency;
 - 3.2. Physical and qualitative verification of the condition of non- financial assets;
 - 3.3. Comparing the situation of inventory with the condition in the non- financial registers;
 - 3.4. Identification of assets with non-transferred value;
 - 3.5. Identification of damaged and decommissioned assets;
 - 3.6. Preparing reports on inventorying;
 - 3.7. Composing the general report based on the individual reports of the Non-Financial Assets Inventorying Commission in the convenient time before the preparation of the

annual financial statements. The report on inventorying should include the physical condition of non-financial assets, the conditions of their preservation and the remarks related to the type of ascertained differences and damages.

4. The activities proceeding the inventarisation are:
 - 4.1. Decision on assets inventory;
 - 4.2. Appointment of Non-Financial Inventory Commission.
5. All changes in the number or value of the assets, determined after inventory, should be reflected in the Asset Register and Accounting Register

Article 13

Non-Financial Assets Evaluation Commission

1. The Secretary, by decision, establishes an *ad hoc* Non-Financial Assets Evaluation Commission, consisting of at least three (3) members, who are officials of the Presidency.
2. For specific assets, on the cases of confirming accuracy and quality of inventory assets, in the absence of an expert from the Presidency, a member of the Non-Financial Assets Evaluation Commission can be appointed any official of other budgetary organizations or a foreign expert.
3. The responsibilities of the Non-Financial Assets Evaluation Commission are:
 - 3.1. Evaluation of damaged assets;
 - 3.2. Evaluation of requests for asset alienation;
 - 3.3. Presentation of evidence on asset evaluation;
 - 3.4. The preparation of a report on non- financial assets that must be decommissioned.
4. Activities preceding the evaluation shall be:
 - 4.1. Decision on asset evaluation;
 - 4.2. Appointment of Non-Financial Assets Evaluation Commission;
5. The evaluation for the disposal of non-financial assets should be based on criteria as follows:
 - 5.1. The usage term has been met based on the depreciation rate, maturity and inability to be repaired;
 - 5.2. Repair is impossible due to consumption and cannot be adapted for other use;
 - 5.3. Level of damage which makes it impossible to return to the previous situation;
 - 5.4. Value of repair is higher or equal to the market value of the non- financial asset;
 - 5.5. Inability to use non-financial assets for specific purposes due to altering technical requirements, working conditions and scope of the Presidency.

Article 14

Non-Financial Assets Alienation Commission

1. The Secretary, by decision, establishes an *ad hoc* Non-Financial Assets Alienation Commission, consisting of at least three (3) members.
2. The Secretary, by decision, may also engage other officials from other budget organizations or other external experts to be a member of the Commission if it is considered that such a thing is necessary.

CHAPTER IV – NON-FINANCIAL ASSET MANAGEMENT PROCEDURES

Article 15

Acceptance of non-financial assets

1. The reception of non-financial assets is done through:
 - 1.1. purchase;
 - 1.2. construction;
 - 1.3. donations, and
 - 1.4. transfers from other budget organizations.

Article 16

Acceptance of non-financial assets by the Admission/Logistics Officer

Acceptance of non-financial assets in the warehouse should be made based on relevant receipt slip signed by the Admission/Logistics Officer, after verifying the quantity, value and quality referred to conditions set forth in the contract or purchase order.

Article 17

Non-Acceptance of Non-Financial Assets

Non-financial assets which are not in compliance with the contract and purchase order should not be accepted by the responsible officer, Admission/Logistics Officer or the Non-Financial Assets Admission Commission. Assets in question should be returned to the supplier supported with the reasons of non-acceptance and the Secretary must be informed about it.

Article 18

Acceptance of non-financial assets directly from the supplier

1. In cases where receipt of non-financial assets is performed directly from the supplier to the user, without going through the central warehouse, the Secretary establishes the Non-Financial Assets Admission Commission or authorizes the Admission/Logistics Officer to accept non-financial assets and to deliver them directly to the user.
2. The Non-Financial Assets Admission Commission submits the completed case to the Admissions/Logistics Officer, who registers the case in the KFMIS.
3. The duties and responsibilities of the Non-Financial Assets Admission Commission and the Admissions/Logistics Officer are also applicable where the receipt of non-financial assets is made directly by the supplier to the user without going through the central warehouse.
4. The Admissions/Logistics Officer registers the case in the KFMIS.
5. In specific cases, the receipt of non-financial capital and non-capital assets, may be made by the requesting officer of non-financial assets, directly from the supplier, without going through the warehouse, upon receipt of the non-financial assets, the requesting officer is obliged to notify the Admissions/Logistics Officer submitting the admission document.

Article 19
Non-financial assets register

The Presidency creates and updates the register of non-financial assets that it has in its management, in accordance with Article 6 of Regulation (MoF) No. 02/2013.

Article 20
Documenting movement of non-financial assets

The documentation of the movement of non-financial assets, in the Presidency, is done in accordance with Article 7 of Regulation (MoF) No. 02/2013.

Article 21
Unpaid or partially paid non-financial assets

All non- financial assets, after being received in the ownership and supervision of the Presidency, regardless if they are paid or partially paid, shall be recorded in the accounting registers and are subject to inventory and evaluation.

Article 22
Non- financial assets in the on-going investment process

Non-financial capital assets, which are in the on-going investment phase, are made in accordance with Article 11 of Regulation (MoF) No. 02/2013.

Article 23
Acquisition and construction of non-financial assets through co-financing and for other budgetary organizations

The acquisition and construction of non-financial assets through co-financing and for other budgetary organizations is done in accordance with Articles 12 and 13 of Regulation (MoF) No. 02/2013, while for non-financial contingent assets the process is conducted in accordance with Article 14 of Regulation (MoF) No. 02/2013.

Article 24
Improvements of non-financial assets

1. Improvements are capital expenditures related to the change or modernization of capital non-financial assets which significantly extend the period of use of the item or improve its functionality. Improvements include:
 - 1.1. increase of the physical product or service capacity;
 - 1.2. reduce of operating costs;
 - 1.3. extension of life of capital non- financial assets, or

- 1.4. improvement of quality of production.
2. Improvements shall be recorded in respective registers as increase in value of capital non-financial assets
3. The cost of the maintenance of capital assets is not considered an improvement, and as such is not recorded as capital expenditure

Article 25

Stocktaking of non- financial assets

1. Stocktaking is carried out with the purpose of verifying the accuracy, quality and physical condition of non-financial assets.
2. The stocktaking of non-financial asset should be conducted under the provisions of Regulation (MoF) No. 02/2013 and this Administrative Instruction.
3. The Presidency must check at least once a year the non-financial assets to verify and assess the factual situation of non-financial assets.
4. When there are doubts of fraud, misuse, theft or loss of non-financial assets, the Secretary, must take a decision on the partial or total inventory of non-financial assets whenever such a condition is ascertained.

Article 26

Evaluation of non-financial assets

1. The Non-Financial Assets Evaluation Commission, established by the Secretary, makes the evaluation of the non-financial assets to verify the need for non-financial assets, the physical condition and the ability to use it in other Presidential units.
2. The evaluation of non-financial assets should be carried out in accordance with the provisions of Regulation (MoF) No. 02/2013 and this Administrative Instruction.

Article 27

Depreciation of non-financial assets

The depreciation of non-financial assets is made in accordance with Article 22 of Regulation (MoF) No. 02/2013.

Article 28

Transfer of the condition of non-financial capital and non-capital assets in the asset registers

1. At the end of each year, asset registers should be closed.
2. At the beginning of the fiscal year, the asset condition from previous years should be transferred, including initial value, accumulated depreciation and net value.

Article 29
Alienation of non-financial assets

The alienation of non-financial assets is done in accordance with Article 9 of Regulation (MoF) No. 02/2013.

Article 30
Reporting

Reporting is done in accordance with Article 24 of Regulation (MoF) No. 02/2013.

Article 31
Punitive measures

1. If in the course of the functioning of managerial supervision, internal controls, internal or external audit, systematic failures of the personnel of the Presidency to perform the duties are ascertained, the Secretary must undertake measures in accordance with the relevant legislation in force.
2. Systematic failures shall be deemed inadequate management and control of non-financial assets, incomplete inventory of non-financial assets, inadequate evaluation of non-financial assets, failure to follow procedures in receiving and issuing for use the non-financial assets, failure to record non-financial assets in the Assets Registers and failure to reconcile the condition of inventory with the condition in assets registers.

CHAPTER V – FINAL PROVISIONS

Article 32
Measures for compensation, replacement and repair of non-financial assets

Based on the Report of the Non-Financial Asset Inventory Commission and the Non-Financial Asset Evaluation Commission, the Secretary undertakes the necessary measures for the compensation, replacement and repairmen of Non-Financial Assets

Article 33
Superiority

This Administrative Instruction is in compliance with Regulation (MoF) No. 02/2013 and in case of non-compliance of this Administrative Instruction with Regulation (MoF) No. 02/2013, the provisions of the latter have the supremacy.

Article 34
Abrogation

1. After the entry into force of this Administrative Instruction the following shall be abrogated:
 - 1.1. Administrative Instruction No. 01/2014 on the Evidence, Conservation and Alienation of Non-Financial Assets in the Office of the President of the Republic of Kosovo (27.11.2014);
 - 1.2. Administrative Instruction No. 02/2014 on Asset Evaluation in the Office of the President of the Republic of Kosovo (26.11.2014), and
 - 1.3. Administrative Instruction No. 02/2016 on the Admission of Goods and Services in the Office of the President of the Republic of Kosovo (03.06.2016).

Article 35
Entry into force

This Administrative Instruction enters into force on the date of signature.

Fehmi MEHMETI

Acting Secretary of the Office of the President

Prishtina, March 27, 2018