

Comptroller's Directive No. 1-09
Attachment 18
Insurance Recoveries

Purpose

GASBS No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires insurance recoveries to be reflected in fund statements. Recoveries must be recorded as “other financing resources” or “extraordinary items” in governmental funds. For government-wide reporting, these recoveries must be classified as program revenue or extraordinary items. **If the insurance recovery relates to a capital asset permanently impaired during fiscal year 2009, Attachment 14A must also be completed.**

Applicable agencies

All agencies that received insurance recoveries during fiscal year 2009 that were not included on a financial statement template (Attachments 9-12).

Due date

August 13, 2009

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the individual is certifying that all tabs of this attachment have been reviewed; the information is both complete and accurate; the preparer and reviewer were not the same individual for any tab; and that you have read and understand the instructions for the attachment.**

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**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att18. For example, agency 151 should rename its Attachment 18.xls file as 151Att18.xls.

Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

For your convenience, the contact information in all but the first tab in each attachment / template has been unlocked and shaded yellow. The contact information continues to be auto filled with the information from the first tab but the cells remain unlocked to allow for more than one preparer to complete the attachment.

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**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Include “**REVISED – date**” in the **subject line** of the submission e-mail as well as in the **file name**. Resubmit the revised attachment; and ensure that the **Revision Control Log** tab has been completed.

Each time a revision is submitted the Certification tab should be updated with new signatures and dates.

**Overview of
requirements**

Insurance recoveries should be recorded in CARS with a revenue source code of 09998. Insurance recoveries should be recorded as an Other Financing Source or Extraordinary Item in the fund statements and as Program Revenue (Operating or Capital) or Extraordinary Item in the Government-wide Statements.

Definitions

Extraordinary Items are both unusual in nature and infrequent in occurrence. In other words, they would possess a high degree of abnormality and are clearly unrelated to typical entity activities and are not reasonably expected to recur in the environment in which the entity operates. Items that are extraordinary for one entity may not be for another due to location, business type, etc.

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**Specific
instructions
Tab 1-Survey**

Part 1)

Did the agency recognize any insurance recoveries during fiscal year 2009?

Note: This includes current year insurance recoveries for capital assets impaired in prior years. It also includes all other insurance recoveries. (i.e. recoveries for embezzlement of cash, theft, etc.). If an agency recognized insurance recoveries during fiscal year 2009, Part 2 and **Tab 2-Insurance Recoveries** must be completed.

If **yes**, complete Part 2 of Tab 1 and **Tab 2-Insurance Recoveries**.

Part 2)

As of June 30, 2009, did the agency have an event or change in circumstances that may indicate an impairment of capital assets as described in **GASBS No. 42**?

If **yes**, complete **Attachment 14A, Impairment of Capital Assets**.

Part 3)

As of June 30, 2009, did the agency receive insurance recoveries related to a pollution remediation project?

If **yes**, complete **Attachment 19, Pollution Remediation**.

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**Specific
instructions:
Tab 2-
Insurance
Recoveries**

Indicate the following for the insurance recovery proceeds:

- Receiving agency
 - Providing source
 - CARS coding (credit to revenue or expenditure / expenditure refund) when received
 - CARS coding at June 30 (fund / fund detail, GLA, and revenue source code / expenditure function)
 - Month and year received
 - Amount
 - Description of the event
 - Should the proceeds be recognized as an extraordinary item (see definition on Instructions – Page 3)?
 - For non-extraordinary items, identify the government-wide program revenue classification
 - Were the proceeds reported as a receivable in the prior year
Attachment 22 - Receivables as of June 30?
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