

Comptroller's Directive No. 1-17
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 2017, Attachment 14A must also be completed.**

Applicable agencies

All agencies that received insurance recoveries during fiscal year 2017 that were **not** included on a financial statement template (**Attachments 9-12**).

Questions

For questions or to request detailed training from an analyst, please contact: AttachmentAnalyst@doa.virginia.gov.

Please reference the attachment number in the subject line of the e-mail.

Due date

August 10, 2017

Data entry

Only cells highlighted in yellow allow for data entry. Error messages in cells are intended to alert preparers that established parameters are not being followed. **Failure to correct Errors or provide answers to all required questions prior to submission will prohibit acceptance of the attachment. Selected cells requiring a response will be populated with an “Answer Required” message until a response is entered.**

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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 preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If agency staffing does not allow for a different preparer and reviewer, please contact DOA.**

Submission requirements

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

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

Please include **Agency Number** and **Attachment Number** in the **subject line** of the submission e-mail.

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 automatically filled with the information from the first tab but the cells remain unlocked to allow for more than one preparer to complete the attachment.

***Note: If the agency has an earlier version of Excel and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Excel (.xls).**

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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 Cardinal under Account 4009998. Insurance recoveries should be recorded as an Other Financing Source or Extraordinary Item in the fund statements and as Program Revenue (Operating) or Extraordinary Item in the Government-wide Statements.

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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.

**Specific instructions:
Tab 1-Survey**

Part 1)

Did the agency recognize any insurance recoveries during fiscal year 2017?

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 **yes**, complete Part 2 of **Tab 1-Survey, Tab 2-Expenditure Refunds,** and/or **Tab 3-Revenue.**

Part 2)

As of June 30, 2017, did the agency receive insurance recoveries for an impairment of a capital asset as described in **GASBS No. 42** that took place **during** fiscal year 2017?

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

Part 3)

As of June 30, 2017, did the agency receive insurance recoveries related to a pollution remediation project?

If **yes**, complete **Attachment 26, Pollution Remediation.**

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**Specific
instructions:
Tab 2-
Expenditure
Refunds**

Indicate the following for the insurance recovery proceeds:

- Receiving business unit
 - Providing source
 - Cardinal coding at June 30 (fund, expenditure account, and expenditure function)
Note: Fund name will auto populate once a fund number is entered. Please verify that this fund is the intended fund. If the following message, “Verify fund number and Contact DOA” appears, please contact DOA.
 - Month and year received
 - Amount
 - Description of the event
 - Should the proceeds be recognized as an extraordinary item (see definition on Instructions – Page 4)?
 - Were the proceeds reported as a receivable in the prior year **Attachment 21**, Receivables as of June 30 or other supplemental information?
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**Specific
instructions:
Tab 3-Revenue**

Indicate the following for the insurance recovery proceeds:

- Receiving business unit
- Providing source
- Cardinal coding at June 30 (fund and revenue account)
Note: Fund name will auto populate once a fund number is entered. Please verify that this fund is the intended fund. If the following message, “Verify fund number and Contact DOA” appears, please contact DOA.
- Month and year received
- Amount
- Description of the event
- Should the proceeds be recognized as an extraordinary item (see definition on Instructions – Page 4)?
- Specify whether the prepopulated revenue classification is appropriate. If necessary, identify the government-wide program revenue classification
- Were the proceeds reported as a receivable in the prior year **Attachment 21**, Receivables as of June 30 or other supplemental information?

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