

## Accounting for Insurance Claims and Recoveries

When property is damaged a claim is submitted for reimbursement by the Risk Management Department (including hurricanes). Facilities will coordinate the repair or replacement of the damaged property. The below processes will need to be completed to correctly account for the repairs/replacement and the insurance recoveries.

1. All non-capital expenses and recoveries will be recorded in the General Fund (01).
2. Facilities will create an activity code to track the expenses incurred and the insurance recoveries
3. All non-capital expenses will be recorded to the Facilities org (12395) - Insurance Claims with the relevant activity code.
  - a. Example: 01-12395-74137-670-xxxxx
4. Any capital purchases will be made from the 90100 capital fund with the new insurance org and relevant activity code
  - a. A transfer will need to be completed with budget office to the fund the purchase from the Insurance Claims org. The cost of the expense will be covered by the reimbursement from the insurance.
    - i. Example - Original capital purchase accounting string (through Requisition)  
90100-12395-79130-670-xxxxx
    - ii. Example – Transfer to cover cost in 90100 fund (through JV and BD04)  
JV Accounting:  
Credit: 90100-12395-82100-670-xxxxx  
Debit: 01-12395-82100-670-xxxxx  
Budget Accounting:  
Inc (+):90100-12395-79130-670-xxxxx  
Dec (-):90100-12395-82100-670-xxxxx  
Inc (+):01-12395-82100-670-xxxxx  
Dec (-):01-12395-79130-670-xxxxx
5. All insurance recoveries will be recorded in the Insurance Claims org with the relevant activity code
  - a. 01-12395-51179-516