

SAM-MISCELLANEOUS ACCOUNTING PROCEDURES

PROCEDURES

8777.2

(Revised 1/85)

1. An agency forwards a Report of Vehicle Accident, STD. 270, to the Office of Risk and Insurance Management in accordance with SAM Section 2441.
2. The Office of Risk and Insurance Management makes the necessary review and notifies the third party if it is indicated that the third party is liable for the cost of repairing the State vehicle.
3. When the Office of Risk and Insurance Management notifies the third party, it also requests the agency to forward to the Office of Risk and Insurance Management two copies of the approved invoice for repairs plus any disapproved estimates. It is imperative that the agency forward these invoice copies as soon as the invoice is received by the agency. If the agency has decided that repairs will not be made, the agency should notify the Office of Risk and Insurance Management immediately so needless collection activity will not occur. The Office of Risk and Insurance Management in these cases will notify the agency if it is still advisable to proceed with the claim and whether collection may be made on the basis of an estimate only.
4. The Office of Risk and Insurance Management will notify the agency of the amount demanded from the third party. The agency will then recognize the claim as a contingent receivable. In the event a contingent receivable is closed without recovery, or closed with recovery of a lesser amount received than that which was claimed, the Office of Risk and Insurance Management will notify the accounting office of the State agency concerned.
5. The Office of Risk and Insurance Management will notify the agency when a claim against a third party becomes a valid receivable. In the event that a valid receivable becomes uncollectible, the State agency is required by Government Code Sections 13940–42 to seek relief of accountability from the State Board of Control. The Office of Risk and Insurance Management will not notify the agency when an insurance company gives notice that they will be forwarding a check for payment of damages. Although this might be considered a promise to pay, it is not expedient to classify such claims as valid receivables because payment will be received in ten to fifteen days.
6. Collections of damage recovery claims will normally be received by the Office of Risk and Insurance Management of the Department of General Services. The accounting office will forward to the agency a cash State check for the amount of the collection and a copy of the cash receipt containing pertinent information. If an agency happens to receive a payment directly from a third party or its agent, it is important that the agency notify the Office of Risk and Insurance Management immediately so that Office of Risk and Insurance Management files can be updated.
7. The agency will be responsible for reconciling its records to those of the Office of Risk and Insurance Management. Yearly a list of open departmental claims will be forwarded to the Office of Risk and Insurance Management, Department of General Services, which will advise as to their status. Agency records will consist of items recorded in the accounting records as well as a pending file of items which have been determined to be contingent receivables when the repair costs are paid.