

**State of Missouri
Office of Administration
Division of General Services
Insurance Recovery & Vehicle Credit Procedures
Revision Date: May 27, 2015**

INTRODUCTION

This document is intended to assist agency fleet managers and those responsible for SAM II processing of insurance recovery funds and vehicle credits.

Insurance Recovery

The OA/General Services Rebillable Expenses appropriation can be used to replace property damaged beyond repair through the fault of the other party to the extent recovery is made from the other party or their insurer. Agencies should coordinate with OA/Risk Management to arrange for deposit of insurance proceeds into the Office of Administration's Revolving Administrative Trust Fund (Fund 0505) to the credit of the agency. Insurance recovery proceeds can then be used for vehicle purchases or vehicle repair expenses. OA/Risk Management manages Insurance Recovery Balances.

Vehicle Credits

Section 37.452 RSMo provides for the sales proceeds of state vehicles to be deposited into the Office of Administration's Revolving Administrative Trust Fund to the credit of the agency. Vehicle credit proceeds can only be used for vehicle purchases. Under Section 37.450 RSMo, the State Fleet Manager has the authority to suspend an agency's use of its credits. State agencies must be in compliance with the State Vehicle Policy to use vehicle credits.

DEPOSITS INTO THE OA REVOLVING ADMINISTRATIVE TRUST FUND

Insurance recovery proceeds and/or vehicle sales proceeds (vehicle credits) are deposited into the OA Revolving Administrative Trust Fund by the Office of Administration. The agency fleet manager is notified of available funds. All communication regarding agency insurance proceeds and vehicle credits will be routed to the agency fleet manager. Current balances for insurance recovery and vehicle credit funds can be found on the [State Fleet Management website](#).

TIME LIMIT FOR USING VEHICLE CREDITS AND INSURANCE PROCEEDS

Agencies should routinely review their vehicle credit and insurance recovery balances – especially when submitting vehicle preapproval forms to the State Fleet Management Program. Agencies will be asked to deplete their vehicle credit balances at the time vehicle preapproval forms are submitted. It is preferable for agencies to submit their vehicle preapproval and vehicle credit/insurance recovery requests forms at the same time. Any funds not used after two years may be returned to the original fund that purchased the vehicle. Extensions may be granted if the agency has plans to use the monies within a reasonable time period.

PROCEDURES

General

In order to take advantage of available credits or recovery funds, agencies must have a valid Interagency Spending Delegation Agreement in place; proper SAM II Financial security established; and written authorization from the State Fleet Manager to use their funds. Then at the time funds will actually be spent, there are unique SAM II document procedures that are required.

Initial Actions

Interagency Spending Delegation Agreements: Each agency enters into an Interagency Spending Delegation Agreement with the Office of Administration outlining the parameters in which the agency

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can spend funds from the OA Revolving Administrative Trust Fund. These agreements are coordinated between the State Fleet Manager and agency fleet manager.

SAM II Financial Security Setup: Each agency must request the appropriate SAM II Financial security to process documents according to the Interagency Spending Delegation Agreement. SAM II security requests should be sent to the Office of Administration, ITSD with a signed copy of the above mentioned delegation agreement. Agencies need security access to the organization code(s) outlined in their delegation agreement. Please be sure to request security for all individuals that will be responsible for data entry and all approval levels. It is the agencies' responsibility to add, change and delete security as appropriate.

Using Insurance Recovery Funds or Vehicle Credits

Agency Request to Spend Funds: Agencies must submit a [Vehicle Credit Request Form](#) to State Fleet Management for approval. Upon approval of the request, the Expense Budget line in SAM II Financial will be increased by the amount of the agency request. The increase in the budget line allows use of the funds.

Sam II Document Processing: This section outlines all of the SAM II transactions needed for agencies to utilize insurance proceeds and vehicle credits to purchase a vehicle. Agencies are responsible for completing the purchase order, payment, FA and JVR documents. FA and JVR documents are only necessary if funds are used to purchase a vehicle.

Purchasing and Payment: Upon written approval from the State Fleet Manager, the spending agency completes the appropriate purchase order using the accounting distribution authorized in their Interagency Spending Delegation Agreement. Coding will also be listed at the bottom of the Vehicle Credit and Insurance Recovery Request Form.

Fund: 0505
Agency: 300
Organization: varies by agency – agencies will use a different org for insurance proceeds and vehicle credits (refer to delegation agreement)
Appropriation: 6259
Object: 2675
Fixed Asset (FA) Type: leave blank

If the agency issues a purchase order document (PGQ, SC, PDQ, or SCS) linking must be turned off so that a PVA is not generated with OA's agency number. The agency must pay with a P1 document. Agencies that fail to turn 'linking off' will be required to submit invoice documentation to OA for document retention purposes.

The State Fleet Manager must apply the Resource Manager approval on vehicle purchases. The Resource Manager approval is applied after the agency gets the order to an ACCPT status.

Fixed Asset: After payment has been processed, the agency processes an FA document for the total amount of each vehicle into the appropriate agency fund. ADDITIONALLY, a Journal Voucher is necessary.

****Note FA and JVR should be done at the same time.*****

Journal Voucher (Use JVR Document) Agency processes a JVR document for the amount of vehicle credit spent.

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This JVR will enter the vehicle credit amount for the vehicle in the agency fund as an asset to keep the General Ledger in balance with the fixed asset sub-system.

Excerpts from SAM II Fixed Asset Procedures: JVR Document Numbering Prefix: use "FA" prefix (use for donated items if acquired in current year).

„, The receiving agency must process a journal voucher with a reference document (JVR) using revenue source code 1504, Donated Assets-State Agencies. The JVR should debit the Asset (balance sheet account 1712, AT 01), and credit Revenue (revenue source code 1504, AT 31). It is imperative that the JVR be completed when an asset is received from another state agency. The original payment voucher number must be listed in the reference field of the journal voucher. Both the JVR and the FA must be completed or it will cause the system to be out of balance and understated for both fixed assets and depreciation.

Debit: Asset (AT 01) BS Account 1712
Credit: Revenue (AT 31) Revenue Source 1504 – Donated Assets

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