

**State of Missouri
Office of Administration
Division of General Services
Insurance Recovery & Vehicle Credit Procedures
Revision Date: October 20, 2005**

INTRODUCTION

This document is intended to assist agency fleet managers and those responsible for SAM II processing of vehicle credits. Included are:

- A. Procedure Overview
- B. SAM II Document Processing Information
- C. Vehicle Credit Procedures For Agencies Using Local Disposition Authority
- D. Time Limit for Using Insurance Proceeds
- E. Vehicle Credit Statute
- F. Contact Information

Insurance Recovery

The OA/General Services Rebillable Expenses appropriation can be used to replace property damaged beyond repair through the fault of a third party to the extent recovery is made from the third party or their insurer. Insurance proceeds can be deposited into the Office of Administration's Revolving Administrative Trust Fund to the credit of the agencies for new or used vehicle purchases.

Vehicle Credits

Section 37.452 RSMo allows agencies to benefit from the sale of state vehicles through the Missouri State Agency for Surplus Property. In some circumstances, funds will be deposited into the Office of Administration's Revolving Administrative Trust Fund to the credit of the agencies for the purpose of 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. See Section E for complete statute text.

A. PROCEDURE OVERVIEW

Agencies must follow these procedures to use their 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. Detailed instructions are included in Section B.

How does it work?

1. Agency enters into an Interagency Spending Delegation Agreement with the Office of Administration outlining the parameters in which the agency can spend funds from the OA Revolving Administrative Trust Fund.

These agreements are coordinated between the State Fleet Manager and agency fleet coordinator.

2. Agency requests 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, Division of Information Systems with a signed copy of the above mentioned delegation agreement. Agencies will need security access to the organization code(s) outlined in their delegation agreement. It is the agencies' responsibility to add, change and delete security as appropriate.

3. Insurance and/or vehicle sales proceeds are deposited into the OA Revolving Administrative Trust Fund by the Office of Administration.

State of Missouri
Office of Administration
Division of General Services
Insurance Recovery & Vehicle Credit Procedures
Revision Date: October 20, 2005

3. **The agency fleet manager is notified of available funds towards vehicle purchase(s) and processes SAM II transactions as outline in Section B.** All communication regarding agency insurance proceeds and vehicle credits will be routed to the agency fleet manager (Fleet MAC representative).
4. **Submit signed Vehicle Credit Request Form to State Fleet Management for approval.** To use these funds, agencies must have written authorization from the State Fleet Manager approving the expenditure. The accounting distribution (detailed in Section B.4) must be used to make the expenditure. Agencies are required to process the designated SAM II transactions.

B. SAM II DOCUMENT PROCESSING INFORMATION

This section outlines all of the SAM II transactions needed for proper recording of insurance proceeds and vehicle credits. The table summarizes the SAM II transactions needed (Detailed descriptions for each step are listed below this table.)

	Responsibility	Document Type	Purpose
1.	Agency	FD	Removal of asset
2.	Surplus Property or OA/General Services	CR	Deposit of vehicle or insurance proceeds into the OA Revolving Administrative Trust Fund (Fund 0505).
3.	Agency	Purchase Order, Payment Document	Encumber/pay for vehicle.
4.	Agency	FA	Record new vehicle in fixed asset subsystem.
5.	Agency	JV	Change balance sheet account to add the vehicle as an asset.

**The Department of Social Services and Fund 0101 are used as examples only.*

1. FD Document (Responsibility: State Agency)

When the sale/loss and the purchase happen in the same year

An FD document is done by the Department
This FD document creates the following entry on the system.

DSS fund 0101:

System updates depreciation expense through date of disposal.

Depreciation Expense	100	
Accumulated Depreciation		(100)

Removal of the Asset from the Fixed Asset Sub-system and the On-line General Ledger.

Accumulated Depreciation	5,000	
Loss	10,000	
Vehicle		(15,000)

State of Missouri
Office of Administration
Division of General Services
Insurance Recovery & Vehicle Credit Procedures
Revision Date: October 20, 2005

2. CR Document: Deposit of Insurance or Vehicle Proceeds (Responsibility: OA General Services or Surplus Property)

The Office of Administration, Division of General Services deposits all insurance proceeds into the OA Revolving Administrative Trust Fund. The Office of Administration, Division of Purchasing and Materials Management – Surplus Property deposits qualifying proceeds from vehicle sales under Section 37.452 RSMo into the OA Revolving Administrative Trust Fund.

Insurance or vehicle sales proceeds are deposited using a CR. The CR creates the following journal entries:

OA fund 0505:

Cash	Revenue	\$5,000	(5,000)
------	---------	---------	---------

3. Procurement and Payment Procedures

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.

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

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.

When DSS spends this money, they would process a payment voucher that would need to be coded as follows:

DSS

0101 – BS 1712 – OBJ 2748 -	12,000
0505 –OBJ 2675 -	5,000
Cash 0101	(12,000)
Cash 0505	(5,000)

The State Fleet Manager must apply the Resource Manager approval on vehicle purchases. See statewide vehicle contracts or the State Fleet Management website at <http://www.oe.mo.gov/gf/fm/index.htm> for more information.

4. Fixed Asset (Responsibility: State Agency)

DSS will also process an FA document for the total amount of the vehicle into fund 0101.

**State of Missouri
Office of Administration
Division of General Services
Insurance Recovery & Vehicle Credit Procedures
Revision Date: October 20, 2005**

5. Journal Voucher (Responsibility: State Agency)

Since the 5,000 that was purchased from 0505 will not be on the balance sheet DSS would process a JV as follows:

DSS fund 0101

Vehicle - BS 1712	5,000
Donated Asset (1504)	(5,000)

This JV will enter the 5,000 for the vehicle in fund 0101 as an asset to keep the General Ledger in balance with the fixed asset sub-system.

C. VEHICLE CREDIT PROCEDURES FOR AGENCIES USING LOCAL DISPOSITION AUTHORITY

Agencies may forward proceeds to State Fleet Management for vehicle dispositions using local authority granted by OA – Surplus Property. Agencies must send proceeds (preferably checks) endorsed to the Office of Administration. A copy of the disposition authority granted by OA – Surplus Property including vehicle identification information (VIN, Make, Model, Year) should accompany the check.

State Fleet Management will deposit the proceeds into the OA Revolving Administrative Trust Fund and the same procedures outlined in Section 2 will be followed.

D. TIME LIMIT FOR USING INSURANCE PROCEEDS

Agencies are encouraged to use their funds within the same fiscal year. 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.

E. VEHICLE CREDIT STATUTES

37.452 RSMo:

Provisions of section 37.090 notwithstanding, all proceeds generated by the sale of a surplus vehicle, except proceeds generated from the department of transportation, the department of conservation, the Missouri state highway patrol and all state colleges and universities may be deposited in the state treasury to the credit of the office of administration revolving administrative trust fund and credited to the state agency owning the vehicle at the time of sale. Upon appropriation, moneys credited to agencies from the sale of surplus state fleet vehicles shall be used solely for the purchase of vehicles for the respective agency.

37.450 RSMo:

3)..The fleet manager shall have the authority to suspend any agency's use of its credits established pursuant to section 37.452 if the agency does not comply with the requirements of this section or section 307.402, RSMo, until he or she is satisfied that such compliance is achieved.

State of Missouri
Office of Administration
Division of General Services
Insurance Recovery & Vehicle Credit Procedures
Revision Date: October 20, 2005

F. CONTACT INFORMATION

Questions? Contact:

Cindy Dixon
State Fleet Manager
573-751-4534
dixonc@mail.oa.state.mo.us