PURPOSE

This University of Nevada, Reno Facilities Services (FSD) standard operating procedure (SOP) provides guidance to staff for the processing of insurance claims for property damage. This SOP is applicable to actions taken within FSD to support the processes of Business Center North Risk Management (BCN) and recover time and materials associated with property loss claims. This SOP does not apply to agency vehicle accidents.

GENERAL

FSD has responsibilities resulting from University property loss incidents such as damage caused by water leaks. These responsibilities include reporting the incident, cleaning up the affected area(s), any applicable restoration work, and submission of the Property Loss Report to BCN detailing the cost of these activities for reimbursement.

Property losses must be reported to supervision and the Service Center immediately so that a claim may be initiated. The department must report the loss to the BCN Risk Management Office within 180 days from the date of loss or discovery. The department has six months to turn in expenses for reimbursement after claim is established. Failure to report losses to BCN within the established timeframes may result in the denial of the claim. The department deductible is $2,000. In the event property loss affects multiple departments from the same incident, the departments will share a prorated amount of the deductible and will manage their claims separately, all working with BCN.

Property Loss Claim Reimbursement Packet

- Property Loss Report (URM-003) – Used for reporting loss (excludes motor vehicles)
- TMA Work Orders
- Proof of Payment Documents (Vendor Purchase Order/Invoices/CAIS Reports)
• Property Loss Summary Memorandum – Summary of claim expenses including account numbers

All claim related labor and materials expensed on state accounts must be moved to the FS Insurance Recovery account prior to year end, to ensure reimbursement with insurance proceeds. Timely recording of transactions and careful coordination of the movement of expenses is required after April 30 each year to ensure all claim related expenses have been properly transferred by the fiscal year end. The last labor day of the fiscal year is June 15, all labor worked after that date is considered occurring in the next fiscal year.

Labor associated with clean up and restoration is claimable. Labor associated with repair is not claimable. Example: the repair of a broken water pipe is not claimable; however, the cleanup and restoration of damage from the resulting flood is claimable.

The project record in TMA includes both repairs and claimable costs and does not directly correspond with the Property Loss Claim (PLC). Submitted PLCs reflect only claimable costs.

Should the total cost of the claim be under $2000, no claim will be submitted to BCN and a comment will be included in the TMA Project to reflect this upon work order closure.

PROCEDURE

FMS Maintenance Support Services (MSS)

• Upon notification of the incident, immediately initiate proper, safety oversight, contain and minimize damage, and notify FMS management and BCN of the incident;
• Request responding FMS personnel take pictures of the damaged area(s) after safety and containment measures are in place, but prior to cleanup;
• Open a project in TMA and create associated work orders for responding trades; notify accounting of work order and/or project number and claim number;
• Use of actual labor rates for claimable labor within the work order;
• Work with Trade Supervisors to track and document all FMS costs on the work orders and in the project;
• Provide pictures, Property Loss Report, and any available information on affected departments to BCN as soon as possible in the process;
• Include BCN provided claim number in the subject line of all electronic correspondence;
• Provide BCN contact information and a blank property loss form to affected departments requesting guidance;
• Assemble, verify data and provide a packet of information to Accounting that includes the TMA project summary report (both electronic and hardcopy), photographs, all associated work orders, available proof of payment or TMA purchasing records, contractor quotes, scope of work documents, and contractor invoices.
• Attach the complete Property Loss Claim Reimbursement Packet to the project in TMA after Accounting submits to BCN;
• Prepare monthly status reports containing open claim number, date, description and associated work orders and send to FMS Accounting;
• Attach the IPO or Check and the deposit notification to the project once it is provided by Accounting; and
• Complete/Close the Project in TMA.
• After April 30, work with FMS Trade and Accounting personnel to identify claims which may cross fiscal years.

FMS Trade Supervisor/Manager:
• Assign work orders to appropriate technicians or arrange for a qualified third party to perform the requested service;
• Notify and collaborate with Accounting Services to arrange payment for third party services when utilized;
• Procure and purchase materials required for the job;
• Communicate with the affected party regarding scheduling or work delays;
• Provide receipts or documentation, noting the work order number, to the accounting assistant. Charge expenses greater than $1500 directly to FS Insurance Recovery account; and
• Verify with the Service Center that all labor, materials, and inventory are entered correctly into the work order, upon job completion.

Assigned Trade Technician:
• Report labor hours to complete the work order;
• Report inventory parts used to complete the work order; and
• Notify the supervisor when the work order is complete and ready for review.

FS Accounting
• Receive notification from MSS that claim is requested; document on PLC Status Summary Sheet in FS Insurance Recovery account spreadsheet
• Receive and process material requests greater than $1500 for direct posting to the FS Insurance Recovery account; ensure the direct charge is recorded against the correct claim and work order numbers.
• Receive the PLC packet including TMA Work Orders from MSS when work order is closed;
• Review work order charges, and gather proof of payment documents (vendor purchase order/invoices/CAIS reports) associated with expenses recorded in TMA within the work order;
• Create the final Property Loss Summary Memorandum (Appendix 1) – Summary of claim expenses including account number to credit, corresponding proof of payment and work orders;
• Scan and send completed Property Loss Claim Reimbursement Packet to BCN via email; copying Service Center and woadmin@unr.edu on submittal;
• Transfer associated material (not charged directly to FS Insurance Recovery account) and labor expenses from FMS departments to the correct recharge account;
• Prepare JV to transfer $2000 worth of expenses for deductible to the Emergency Repair account (1462) for the FMS Senior Director’s approval; process approved JV
• Receive claim payments and document receipt of payment and post to the correct account;
• Provide Maintenance Support Services with a scanned copy of the IPO/Check and deposit notification to attach to the TMA project;
• Perform monthly reconciliation of the FS Insurance Recovery account tracking outstanding claims, work orders, journal vouchers, PR-45 forms, deposits and other transactions; and
• After April 30th, work with MSS to move claim related labor and materials expenses on state accounts to the FS Insurance Recovery account when the claim has been identified to cross fiscal years
• Prepare the year-end financial statement for the FS Insurance Recovery account.

IMPLEMENTATION

The Director, Administrative Services and the Senior Director for Facilities Maintenance Services are responsible for the implementation of this SOP within respective area(s) of responsibility.

TRAINING

All FMS supervisors and Accounting Services staff shall receive training on this SOP within 60 days of employment. Supervisors will ensure regular review of and compliance with the SOP.

COMPLIANCE

Compliance with all UNR and FSD policies and procedures is required of each employee. Failure to comply with this SOP may result in disciplinary action as outlined in the Nevada Administrative Code, the Nevada System of Higher Education Prohibitions and Penalties, and/or the Nevada System of Higher Education Board of Regents Handbook.
Appendix 1 – Property Loss Summary Memorandum

October 29, 2014

MEMORANDUM

TO: Sue Dunt
   BCN Risk Management

FROM: Chelsea Stufflebeam
   Facilities Maintenance Services

SUBJECT: Sinclair Flood
   July 28, 2014 Claim 15.03.UNR

Attached is the Facilities Maintenance Services (FMS) property loss summary for the Sinclair Flood. FMS is responsible for maintenance to the building and has four work orders and two purchase orders with the following material and labor charges to report:

<table>
<thead>
<tr>
<th>Work Order #</th>
<th>Trade</th>
<th>Source Account #</th>
<th>Materials</th>
<th>Labor</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMS-366403</td>
<td>Moving Crew Shop</td>
<td>1101-104-1450</td>
<td>$0.00</td>
<td>$346.23</td>
<td>$346.23</td>
</tr>
<tr>
<td>FMS-366405</td>
<td>Custodial Services</td>
<td>1101-104-1430</td>
<td>$0.00</td>
<td>$96.08</td>
<td>$96.08</td>
</tr>
<tr>
<td>FMS-366407</td>
<td>Electric Shop</td>
<td>1101-104-1477</td>
<td>$0.00</td>
<td>$523.68</td>
<td>$523.68</td>
</tr>
<tr>
<td>FMS-366409</td>
<td>HVAC Shop</td>
<td>1101-104-1490</td>
<td>$0.00</td>
<td>$8.76</td>
<td>$8.76</td>
</tr>
</tbody>
</table>

   **Total** $0.00 $974.75 $974.75

<table>
<thead>
<tr>
<th>Purchase Order #</th>
<th>Vendor</th>
<th>Account #</th>
<th>Materials</th>
<th>Labor</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>15ML197156</td>
<td>Rods Fire &amp; Flood</td>
<td>1101-104-1470</td>
<td>$29,138.00</td>
<td>$0.00</td>
<td>$29,138.00</td>
</tr>
<tr>
<td>Quote to repair</td>
<td>Truckee Meadows</td>
<td>1800-104-4029</td>
<td>$40,005.88</td>
<td>$0.00</td>
<td>$40,005.88</td>
</tr>
</tbody>
</table>

   **Total** $69,143.88 $0.00 $69,143.88

Claim Total: $69,143.88 $974.75 $70,118.63

Total Property Loss Claim is $70,118.63, please deposit into 1201-104-1457-IR-00.

Labor rate is calculated at Regular Time Rate, or Over Time Rate per work order attached, plus associated fringe. Internal resources were utilized to respond to the initial clean up (and/or rebuild) in lieu of contracting the service out to a 3rd party vendor, as it was deemed to be more cost effective. Copies of all work orders, final invoices and CAIS reports are attached.

Please contact me at 682-7701 if you have any questions or need further information.