



## **806.3 INSURANCE RECOVERY AND REPLACEMENT**

### **I. PURPOSE**

All incidents of property damage or loss in which the estimated cost of the loss exceeds the deductible amount of the district's insurance coverage shall be reported to the Director of Finance who shall file a claim with the insurance carrier for recovery of the replacement cost, less the deductible portion.

In the event of the loss or damage of equipment, such equipment will be replaced with new equipment or repaired as soon as possible, subject to the approval of the appropriate administrator.

In the event of damage to a building or site, such building or site shall be restored to its condition prior to the damage as soon as possible, subject to the approval of the appropriate administrator.

That portion of the cost for the repair or replacement of damaged or lost property not covered by the insurance reimbursement shall be recorded as an expenditure against the capital outlay contingency designated for insurance recovery expenses.

The Director of Finance shall be directed to increase the appropriate revenue account (as specified in the Manual for the Uniform Financial Accounting and Reporting System for Minnesota Schools) and expenditure budget to account for the revenue from the insurance recovery and the corresponding expenditure for the repair or replacement.

**POLICY ADOPTED:** May 24, 2007

**POLICY REVIEWED:** October, 2011

**POLICY REVISED:** November 17, 2011, May 26, 2016