

To be used by Exempt and Non-Exempt Institutions.

Use Fund 320* when 100% of the institution qualifies as a TABOR designated enterprise, use Fund 305* when the institution does not qualify for Enterprise status. However, if the institution is not an enterprise they must still use fund 320* for any enterprise specific activity.

CORE ACCOUNTING MODEL

Insurance Recoveries - No Asset Impairment

**Used to record insurance recoveries. This model assumes the event does not qualify as an impairment (1).
 Insurance recoveries in the current year offset maintenance expense .
 Insurance recoveries from prior years are recorded as revenue without offset.**

Authoritative Source(s):

*The Higher Education Policy Setting Group (HEP)
 Fiscal Procedures Manual Chapter 4, Section 2: 2.10, 2.11
 GASB Statement 42*

Ln #	Description	General Information Tab			Fund Accounting Tab						Detail Accounting Tab	
		Posting Code	Debit Amount	Credit Amount	Fund	Dept	BSA	Revenue	Object	Appr	Function	Reporting

RECORD EQUIPMENT RESTORATION COSTS

1	Other Maintenance	XD04	\$ 1,000		305* or 320*	G**A			2210	GC***NAP0	1100 or 1900	
2	Operating Cash	A001		\$ 1,000	305* or 320*	G**A	1100					

RECORD INSURANCE PROCEEDS RECEIVED IN THE SAME FISCAL YEAR AS EXPENSE IS INCURRED ⁽³⁾

3	Operating Cash	A001	\$ 900		305* or 320*	G**A	1100					
4	Insurance Recovery- Current Year	XR02		\$ 900	305* or 320*	G**A		5860		GC***NAP0	1100 or 1900	
5	Gain/Loss on Impairment of Capital Asset	XR02	\$ 900 ⁽²⁾		399*	G**A		6504		GC***NAP0	1100 or 1900	
6	Other Maintenance	XD04		\$ 900 ⁽²⁾	399*	G**A			2210	GC***NAP0	1100 or 1900	

RECORD INSURANCE PROCEEDS RECEIVED IN THE FISCAL YEARS FOLLOWING THE EXPENSE

7	Operating Cash	A001	\$ 900		305* or 320*	G**A	1100					
8	Insurance Recovery- Prior Years	XR02		\$ 900	305* or 320*	G**A		5861		GC***NAP0	1100 or 1900	

⁽¹⁾ If the event is significant and meets the impairment tests defined in GASB 42, the accounting must comply with measurement methods defined in GASB 42. This includes the Restoration Approach, Service Units Approach, or the Deflated Depreciation Replacement Cost Approach. See Model Q for Insurance Recoveries on Impaired Assets.

⁽²⁾ This entry is limited to the amount of maintenance expense recorded in 2210 (or comparable account). If the insurance recovery exceeds the restoration or replacement cost then a gain on impairment is reported. Note that account 5860 and 6504 are reported in the same line on the financial statements.

⁽³⁾ When a recovery is received in the same year, you offset the original expense with the amount of recovery (rows 5 and 6) and Loss is offset by Insurance Recovery Revenue, In this example the next impact is \$100. The Revenue in 5860 and the Loss in 6504 are netted to the same F/S line at the State level.

* Wildcard representing the unique fund for each governing board, indicated by adding the second digit of the Governing Board Department code to the Fund Number, for example, CU's department code is G**F**AA, the fund CU operates in is 320**F**.

** Wildcard in the Department Code representing the Governing Board and Institution. Example G**F**EA, Governing Board (**F**), Campus (**E**) for University of Colorado Denver.

*** Wildcard representing the three digit Funding Source Code for each Apporopriation Unit.