

**0620.07 Submission of Claims by State Employees to the Finance and Claims Committee
of the State Administrative Board**

Issued: January 13, 2014

- SUBJECT:** Submission of Claims by State Employees to the Finance & Claims Committee of the State Administrative Board
- APPLICATION:** Executive Branch Departments and Sub-units (Agency)
- PURPOSE:** To communicate procedures for filing and resolution of claims by state employees to the Finance and Claims Committee (F&C) of the State Administrative Board (Ad Board).
- CONTACT AGENCY:** Department of Technology, Management and Budget (DTMB)
Ad Board
- TELEPHONE:** 517-284-7028 Ad Board Secretary
- FAX:** 517-335-0046 DTMB Procurement fax
- SUMMARY:** The Ad Board Secretary reviews all claims filed by state employees presented for F&C/Ad Board approval.
- APPLICABLE FORMS:** DTMB-1104 Claim Against the State of Michigan for Personal Losses Less than \$1,000. (Claim Form)

Claims Against the State by State Employees

- The Ad Board is authorized to decide claims for property damage or personal injury against the state, its departments/agencies, officers, or colleges and universities in an amount less than \$1,000 (see MCL 600.6419 and 600.6420).
- Claims by state employees for loss must be filed within 365 days of loss.
- The Ad Board has delegated authority to Agency directors to consider, deny, or approve employee claims for damages or loss (together "loss") less than \$500 *except for claims relating to eyeglasses, automobiles, jewelry over \$50, and cash over \$100*. Agency directors must submit a monthly report of claims paid or denied under this delegated authority.
- Personal property loss reimbursements are based on the present value and not replacement cost. Claims are subject to the following depreciation requirements:
 - Depreciation is calculated with a 20% straight-line depreciation rate per year starting with year two and continuing until a residual balance of 10% remains.
 - Eyeglasses, precious metal jewelry, automobile, and cash claims are not subject to depreciation.
 - Claims where the employee cannot establish date of purchase are payable at residual value rate.
- For employee claims for loss of personal property, the employee must establish each of the following:
 - The loss occurred in the course of the employee's employment.
 - The employee's action or inaction was not a contributing factor to the loss.
 - The personal property was reasonable for the employee to have at work.
 - The employee must not have been reimbursed for the loss from another source.
 - If the loss was due to theft, an Agency incident report or police report must be provided with the claim.

- If the loss was due to theft of money, that it was taken from the employee by force or threat of force.
- Automobile property loss claims that occur when an employee uses a personal automobile while on state business require the following:
 - The employee is in compliance with his/her Agency requirements for using a personal automobile instead of a state automobile.
 - The employee's action or inaction was not a contributing factor to the loss.
 - The employee must not have been reimbursed for the loss from another source.
 - A police report is provided with the claim.
 - A repair estimate and/or proof of insurance deductible is provided with the claim.
- Automobile property loss claims that occur while an employee's automobile is operated or parked on state-owned or leased property require the following:
 - The loss occurred while the automobile was being properly operated or parked at state-owned or leased property.
 - The employee's action or inaction was not a contributing factor to the loss.
 - The loss occurred by reason of an action, inaction, property defect, or maintenance condition attributable to the State of Michigan.
 - The employee must not have been reimbursed for the loss from another source.
 - An Agency accident report or police report must be provided with the claim.
 - A repair estimate and/or proof of insurance deductible is provided with the claim.

PROCEDURES:

State Employee/Claimant:

- Submits the Claim Form with all pertinent documents to the Ad Board Secretary or to the Finance Division or Human Resources Division of the appropriate Agency.
- The claim form must be fully completed and notarized.

Ad Board Secretary:

- Assigns a claim number and records the claim in the claims database.
- Saves an electronic scanned copy of the claim documents.
- Sends a receipt to the claimant.
- Forwards the claim to the offending Agency for investigation and recommendation for payment or denial.

Offending Agency:

- Transmits a copy of all claims to the Agency personnel assigned to investigate claims or to supervisory personnel with personal knowledge of the incident leading to the claim for an investigative report.
- Prepares a report for the Agency's principal executive officer or the designee so a recommendation for approval or denial of the claim can be prepared for the Ad Board.
- Sends the claim and Agency recommendation to the Ad Board Secretary with an unstapled, one-sided copy of the claim, documentation, and recommendation.
- Is responsible for payment to claimant of awarded claims,

Ad Board Secretary

- Places the claim information and Agency recommendation on the F&C Agenda.
- Logs the recommendation, F&C date, and Ad Board date in the claims database.

- Prepares the proposed claim decision letter.
- Adds Secretary's report of any claims over 90 days old to the F&C Agenda (monthly).
- Prepares and forwards F&C Agenda to the F&C for action.
- After the F&C meeting, prepares the F&C meeting Report and forwards the F&C Report and the F&C Agenda containing the claim recommendations to the Ad Board for action.
- After the Ad Board meeting, notifies the Agency and the claimant of the Ad Board's decision by letter.
- Handles necessary correspondence or other communication relative to the claims.
