

Property Loss/Damage Reporting and Reimbursement Procedures

Responsible Office: Office of the Treasurer, Risk Management Department
Last Revision: August 17, 2007

Reporting Requirements

The ultimate amount that an individual department funds from its budget and the amount that it is reimbursed by the Risk Management Department (“RMD”) and/or the University’s insurance companies are greatly impacted by adherence to this policy and the actions of the department following the occurrence of a loss.

All employees and faculty are required to report to the RMD any known or suspected theft or damage to University-owned fixed assets upon discovery. A completed Property Loss/Damage Claim Reporting Form (Reporting Form found on the RMD website) must be submitted within 5 business days after discovery. When the full extent of the loss is not completely known at time of the initial report, supplemental reports should be promptly delivered when additional information becomes available.

When two or more departments are impacted by the same loss event each impacted department must submit a separate loss/claim report describing damages to its particular property.

In conjunction with the Reporting Form, the division or department providing notice shall appoint a knowledgeable individual to serve as the primary contact for the RMD to coordinate loss management. The individual must have the authority to act and make decisions on behalf of the division or department.

Loss Investigation and Documentation

Once acceptable notice is received, the RMD will initiate a thorough investigation of the loss, which may include a site visit, review of contracts/leases, project or research applications and other documents, as needed to establish the value and liability for claimed damages. The investigation may also involve interviews with persons directly or indirectly involved with the loss. When necessary, loss investigations may be conducted by outside parties, under contract to the University, with expertise or financial interest in the loss (i.e. insurance company).

For a property damage type loss, the department filing for reimbursement must provide copies of supporting documentation (e.g. vendor invoices) that clearly identify the cost of replacement units purchased and/or costs incurred to repair incurred damages to a pre-loss condition.

For a theft/mysterious disappearance type loss, the department filing for reimbursement must provide adequate proof of ownership of the missing/stolen items (e.g. original invoices, photographs, equipment specifications w/ model and serial numbers), police or public safety reports, and proof of item replacement.

Claim Reimbursement Process

After the documentation requirements of this policy are satisfied and the request for reimbursement is determined to be valid, the RMD will reimburse, the school, department, or division for the allowable expenses associated with the loss event less 1) any non-allowable expenses, and 2) any applicable deductibles.

For large or complex losses, the RMD will reimburse the departments after the University's insurer(s) have determined the value of the insurer's obligation to the University for the loss. However, under certain circumstances, special requests for advance or partial reimbursement payments may be approved by RMD on a case-by-case basis.

When subrogation activities are being pursued to recover expenses from at-fault third parties, a portion of the total reimbursement due to the impacted department, equal to the expected recovery from the at-fault third party, may be withheld by the ORM until the completion of subrogation activities.

In order to receive reimbursement after the occurrence of a loss, the internal fixed asset owner must meet the following requirements. Failure to do so may result in a reduction or denial of reimbursement by the RMD and/or the University's insurer(s). The requisite conditions for all responsible asset owners are:

- Maintain adequate and responsible loss prevention practices intended to minimize the chance of accidental and preventable losses;
- Report the loss to RMD upon discovery, using established procedures and forms;
- Thoroughly document the source and nature of the loss and any consequential impact to the fixed asset and/or the reporting unit's continuing operations;
- Cooperate in providing additional information as requested by the RMD, its contractors or the University's insurers;
- Cooperate and participate in the University's efforts to pursue outside sources for reimbursement;
- Take necessary measures to minimize additional impairment once the loss is identified/discovered;
- Take advantage of alternative insurance programs offered by the RMD for items that fall outside this property policy.

Exclusions and Special Situations

Some, not all, buildings leased by the university are covered for property damage by the applicable landlord. Losses to University-owned fixed assets within the buildings are covered by the University's property loss/damage reimbursement mechanism and this policy.

The University has a significant global presence. However, this policy does NOT cover fixed assets located outside the United States or Canada, regardless of whether the asset is owned by any University subsidiary or legal entity established by the University. Coverage for these assets should be maintained locally in country. Contact the RMD for guidance.

Certain specific types of assets, including but not limited to fine arts, rare books, manuscripts, property in transit, and vehicles are also not covered under this policy and have separate policies which need to be negotiated directly with RMD. Refer to Exhibit A for a detailed listing of allowable and non-allowable expenses and items treated under alternative insurance programs

Definitions

Risk Management Department (RMD) – Part of the Office of Treasury; responsible for the financial aspects of insurable and non-insurable risks and litigation suits facing the University and for procuring insurance coverage for all campuses and operations.

Allowable and Non-allowable Expenses – Loss related expenses that are (allowable) and are not eligible (non-allowable) for reimbursement by the RMD or the University’s insurers. [See Exhibit A]

Fixed Assets – are comprised of real and personal property.

- Real Property – consists of buildings and any items permanently affixed to buildings and land.
- Personal Property – is furniture, fixtures, office equipment, computer hardware and software, money, valuable papers, telecommunications equipment, research equipment and laboratory machinery, HVAC equipment, emergency generators, and any other property not permanently affixed to the building or surrounding grounds. Personal property can also include similar items leased, borrowed, or under loan to the University.

Loss – any accidental occurrence which has caused permanent or temporary loss of value, either directly or indirectly, to the fixed assets of the University.

Departmental Deductible – the amount (\$2,500) that the impacted department is always responsible to absorb on each loss before the RMD will make payment. The deductible reduces the amount that the RMD will reimburse for the total cost of the loss (ex: \$10,000 total allowable loss value, the impacted department must cover the first \$2,500, the RMD reimburses \$7,500).

Departmental Financial Responsibility – the portion of the total financial value of a loss that the impacted department is responsible to fund from its operating budget. This includes but is not limited to applicable deductibles and any non-allowable expenses. The departmental responsibility can also include any portion of a given loss that arises from, is aggravated by, or is due entirely to the department’s failure to comply with mandatory conditions of this policy and its associated procedures or the terms of any applicable insurance coverage.

Subrogation Withhold- the portion of the total reimbursement due to the impacted department that is withheld by the RMD when subrogation activities are being pursued to recover expenses from at fault third parties. The subrogation withhold, less the application of any departmental offsets, will be paid to the impacted department following the completion of subrogation activities.

Pre-loss Condition – state that your property is in before the loss occurs. Departments must replace damaged property with material or equipment of like kind, quality, and functional equivalent. This would not include upgrades or major renovations not related to loss.

Contacts

Asset owners should first look to RMD's website for the most current information and guidance on property loss/damage reporting and reimbursement procedures located at:

http://finance.columbia.edu/treasury/risk_management/index.html

If additional assistance is required, they may contact:

Jessi Rose Cuthbert-Payne
Business Manager
Office of Risk Management
Phone: 212 854 1063
Fax: 212 854 9709
E-mail: jrc2110@columbia.edu