



**State of Louisiana**  
Division of Administration  
**Office of Statewide Reporting and Accounting Policy**

March 11, 2009

**MEMORANDUM OSRAP 09-22**

TO: Fiscal Officers  
All State Agencies

FROM: Afranie Adomako, CPA  
Director

SUBJECT: Recording Insurance Proceeds Received from Office of Risk Management (ORM) for Funds to be returned to the Federal Emergency Management Agency (FEMA) via the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), for Re-versioned Project Worksheets (PW) Related to Hurricanes Katrina and RITA.

It has come to OSRAP's attention that FEMA has started the process of re-versioning PWs, and are taking insurance reductions on those that are subject to insurance claims. State agency applicants may potentially owe FEMA on one or more PWs settled for 100% if an insurance reduction is taken on re-versioned PWs. If a state agency applicant receives a re-versioned PW on which insurance reduction has created a liability to FEMA (in essence a bill), a written notification of the re-versioned PW must be submitted to ORM for them to determine if you need to file an insurance claim to cover the amount of the reduction if one has not previously been filed.

Once ORM has received a written notification of the re-versioned PW and reviewed the claim for completeness and accuracy they will begin processing insurance payments for state agency applicants. When state agency applicants receive these funds, they must deposit and classify them as Interagency Transfer (IAT) revenues. These funds then must be immediately remitted back to GOHSEP as IAT expenditures from the agency's operating funds. Upon receipt, GOHSEP will also classify the funds as IAT revenue and expend the funds back to FEMA to pay for the liability resulting from the insurance reduction taken on the agency's re-versioned PW.

The resulting increase in revenue and expenditures for all state agency applicants will require an increase to the agency's IAT and operating appropriations in the amount of the ORM insurance proceeds received. This budget increase will ensure that the funds received can be warranted and remitted to GOHSEP. For those agencies that will need a budget increase, a request for Budget Adjustment Document (BA-7), for FEMA IAT

revenue must be prepared by your entity and forwarded to the Office of Planning and Budget (OPB). If approved, you will need to enter an appropriation document (AP) in the Advantage Financial System (AFS) to establish budget for this money.

When completing the BA-7 form to request the budget adjustment, be sure to include all pertinent documentation on the re-versioned PW when submitting it to the OPB for approval.

**NOTE: If a State Agency applicant has already received both FEMA reimbursement as well as an insurance claim payment from ORM on the PW being re-versioned, the agency cannot claim payment from ORM again and must reimburse GOHSEP for the amount of the liability on the re-versioned PW. If the agency previously reimbursed ORM after receiving payment from FEMA and ORM, follow the instructions to obtain reimbursement from ORM.**

If you have questions or comments concerning this memorandum, please contact me or Kurt Demmerly at 225-342-0708.

Remember, all OSRAP memorandums and forms may be accessed through our home page at <http://www.doa.la.gov/OSRAP/INDEX.HTM>.

AA/KD/rl