

0620.08 Submission of Claims by the General Public to the Finance and Claims Committee of the State Administrative Board

Issued: January 13, 2014
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PURPOSE

To communicate procedures for filing and resolution of claims by the general public to the Finance and Claims Committee (F&C) of the State Administrative Board (Ad Board).

APPLICATION

Executive Branch Departments and Sub-units (Agency)

CONTACT AGENCY

Department of Technology, Management and Budget (DTMB)
State Administrative Board (Ad Board)

Telephone: 517-388-5773 Claims Analyst
517-388-5850 Secretary of Ad Board

Email: DTMB-StateAdBoard@michigan.gov

SUMMARY

The Claims Analyst processes claims for personal property losses submitted by the general public for Ad Board approval and prepares the claims portion of the agenda for the meetings of the F&C.

APPLICABLE FORMS

[DTMB-1104 Claim Against the State of Michigan for Personal Losses Less than \\$1,000 \(Claim Form\)](#)

[MDOT-3600 Claim of Damages Less than \\$1,000](#)

PROCEDURES

Claims by the General Public

- The Ad Board has discretionary authority, upon the advice of the Attorney General, to decide claims for property loss/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).
- Claims by the General Public (citizens) for loss require:
 - Submittal of a claim within 365 days of the date of loss.

- A detailed description of the loss or damage. If additional space is needed, the claimant may attach an additional sheet using 8-1/2" x 11" blank paper.
- The loss occurred by reason of an action, inaction, property defect, or maintenance condition attributable to the state of Michigan.
- The claimant's action or inaction was not a contributing factor to the loss.
- An Agency incident report or police report must be provided with the claim.
- A repair estimate or receipt and/or proof of insurance deductible must be provided.
- Claims for theft of money require that the money was taken from the claimant by force or threat of force and a police report must be provided.
- Claimant must not have been reimbursed for the loss from another source.
- Claims by insurers under subrogation rights on behalf of the insured will not be accepted.
- Personal property loss reimbursements are based on 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.
 - Automobile, eyeglasses, precious metal jewelry, and cash claims are not subject to depreciation.
 - Claims by patients at state psychiatric hospitals and centers for developmental disabilities and claims by members at state veteran homes are not subject to depreciation.
 - If the claimant cannot provide a receipt or proof of the original purchase amount to assist in the determination of the present value of the item(s), the residual balance may be calculated using the average cost.
 - Claims for disposable or perishable property such as food will not be considered without a receipt that shows purchase within 7 days of loss.

Processing Claims

Claimant

- Submits a Claim Form or an [MDOT-3600](#) with a copy of relative supporting documentation to the Claims Analyst; or to the Finance Division or Human Resources Division of the Agency under whose control the claim occurred.
- The Claim Form must be completed in full, signed by the claimant, and notarized.

Claims Analyst

- 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 or returns the claim to the claimant for proper completion.
- Forwards the claim file to the applicable Agency for investigation and recommendation for payment or denial.
- Handles correspondence and other communications relative to the claim.

Agency

- Transmits a copy of the claim to the Agency personnel assigned to investigate claims or to supervisory personnel with personal knowledge of the incident 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 with supporting documentation and recommendation. Claims may be submitted to the Ad Board electronically.

Claims Analyst

- Reviews the claim, Agency recommendation and supporting documentation for consistency.
- Seeks the advice of the Attorney General for discrepancies. The Claims Analyst or Attorney General may contact the investigating Agency to resolve a discrepancy.
- Places the claim information and recommendation on the F&C Agenda. If a discrepancy cannot be resolved, the Analyst, under the advice of the Attorney General, either places the agency recommendation or an alternate recommendation on the F&C Agenda.
- Logs the recommendation, F&C date, and Ad Board date in the claims database.

- Prepares and forwards the claim section of the F&C Agenda to the Ad Board Secretary for F&C action.

Ad Board Secretary

- Prepares and forwards F&C Agenda to the F&C Committee for review of the agenda and recommendations.
- After the F&C meeting, prepares the F&C meeting Report and forwards the F&C Report and F&C Agenda containing the claim recommendations to the Ad Board for final approval.

Claims Analyst

- Prepares the Claim Decision letter.
- After the Ad Board meeting, notifies the Agency and the claimant of the Ad Board's decision by letter.

Agency

- Distributes signed claim decision letter to pertinent Agency representatives for informational purposes and/or payment processing.
- Is responsible for timely payment to the claimant of awarded claims.
