



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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Issued By: Community Engagement and Finance Division (CEFD)
Bureau of Local Government and School Services

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1995-03 Accounting Procedures for Storage Tanks Liability Insurance

Intended Audience: County Road Commissions

Summary: Some county road commissions are purchasing underground storage tanks liability insurance for damages caused by tank leakage.ⁱ

Insurance premium cost attributable to the storage of fuels and related products used in road commission vehicles should be classified as:

Activity No. 511--Equipment Expense -- Indirect
Account No. 882--Insurance -- General Liability

Storage tank liability insurance costs for other than vehicle fuels such as brine, dust control products, etc., should be classified as:

Activity No. 514--Other Distributive Expense
Account No. 882-- Insurance -- General Liability

You have the option to point off account number 882 with suffix numbers of .01, .02, .03 etc., to reflect the various types of liability insurance. The use of suffix numbers for account number 882 must not affect the proper classification of insurance expenditures in the proper activity number 511, 514, 515 etc., as applicable.

Please note this information in your county road accounting manual.

If we can be of any assistance, please call (517) 335-7469 or write our office at Michigan Department of Treasury, Community Engagement and Finance Division, P.O. Box 30728, Lansing, Michigan 48909-8228 or email our office at TreasLocalGov@michigan.gov.

ⁱ March 10, 1995 – Original letter
(Revised DRAFT DATE) – This numbered letter was updated with formatting changes, no major content edits.