

**Letter No. 03-95**  
**County Road Commission--Insurance**  
**Accounting Procedures--Storage Tanks**

March 10, 1995

TO: County Road Commissions

FROM: Richard L Baldermann  
Administrator  
Local Audit and Finance Division

RE: Accounting Procedures for Storage Tanks Liability Insurance

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

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

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 effect 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) 373-3227 or write our office at Michigan Department of Treasury, Local Audit and Finance Division, P.O. Box 30728, Lansing, Michigan 48909-8228.