



**Item #06-5-4
Consent**

SACOG Board of Directors

May 11, 2006

Receipt of Insurance Claim Proceeds

Issue: To acknowledge receipt of the proceeds from an insurance claim and to set them aside for future use in the Board and Advocacy Budget.

Recommendation: The Administration Committee recommends that the Board of Directors acknowledge receipt of the insurance claim funds and set those funds aside to be used for any shortfall in the Board and Advocacy budget.

Committee Action/Discussion: SACOG filed a claim against American Protection Insurance Company, Policy No. 3QX-114431-00, California Rural Special Districts Program, which resulted in a check being received in the amount of \$79,195.61. The claim was filed for losses that occurred in 1997-2003 and has been in process for several years. SACOG's financial auditors have determined that these funds may be considered as discretionary funds, which makes them eligible to be used in the Board and Advocacy budget.

At the April Administration Committee meeting, it was approved that up to \$10,000 in interest earnings on accounts other than the SACOG general account be used to fund any shortfall in the Board and Advocacy budget. Staff is recommending that these insurance claim funds be used instead and that they be set aside specifically for any shortfall in the Board and Advocacy budget.

Staff will set these proceeds aside in a reserve account and will request authorization from the Board prior to their use.

Approved by:

Mike McKeever
Executive Director

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Key Staff: Karen Wilcox, Director of Finance, (916) 340-6210