

OREGON ACCOUNTING MANUAL		Number 15.75.00.PO
Oregon Department of Administrative Services State Controller's Division	Policy	Effective Date July 1, 2001
Chapter	Accounting and Financial Reporting	.1 OF .1
Part	Claims and Judgments	
Section		Approval Signature on file at SCD

Authority [ORS 293.590](#)
NCGA Statement No. 4
GASB Statement No. 10

Definitions

- .101 A claim is a demand for payment of damages, or a policy benefit for insured risks, resulting from the occurrence of an event such as personal injury or property damage.
- .102 A judgment is an obligation created by the decision of a court.

Reporting Claims and Judgments

- .103 A liability for claims and judgments should be accrued when it is probable that a loss has been incurred and the amounts in question can be reasonably estimated. If the estimate of loss is a range of possible amounts, with no amount in the range more probable than any other, the minimum of the range should be accrued. In this case the range of possible loss amounts should be disclosed in the notes to the financial statements.
- .104 If the possibility that a loss has been incurred is probable or reasonably likely, but the amount cannot be reasonably estimated, then the nature of the contingent loss needs to be disclosed in the notes to the financial statements. The disclosure should include either a range of possible losses, or a statement that no estimate of the amount of loss can be made.
- .105 Claims for tort liability, property damage and workers' compensation are managed centrally for the State by the Risk Management Division of the Department of Administrative Services. Risk Management will report an estimated liability that includes incurred but not reported claims for these charges. Costs are allocated to agencies based on historical costs of claims.
- .106 Claims and judgments should not be reported in governmental funds until they are due and payable. Governmental fund obligations not payable from current financial resources should be recorded in the [government-wide reporting fund](#), so that they will be reported in the government-wide financial statements.
- .107 Agencies should record obligations for claims and judgments payable in general ledger account 1717, Claims and Judgments Payable.