

The maximum amount that can be levied against a state entity for a tort claim is currently \$1,000,000 per person per incident. Auxiliary units are assessed a charge based on operating expenditures which is held in a reserve to cover tort claims against those units. Currently there are sufficient funds in the reserve to cover two maximum tort claims, but we believe it is prudent to build the reserve to provide for three maximum claims. Therefore, an assessment will be charged this year and next fiscal year to accumulate an additional \$1 million of reserve.

An assessment equal to approximately .18% of the prior year's expenditures will be charged to each auxiliary unit's projects. Expenses identified as purchases for resale (account 52700) and cash transfers (account 58XXX) will be excluded from the total prior to calculating the assessment.

The charge is processed midyear and posted to 53616 in each project (unless other instructions are provided). This fiscal year, TORT2018 will be posted in January of 2018. You may contact Rhonda Raynor (rrbarefo@ncsu.edu) or Tracy Patty (tpatty@ncsu.edu) with any questions.