

MICHIGAN STATE UNIVERSITY

June 26, 2020

MEMORANDUM

To: Committee on Audit, Risk and Compliance

From: Brian Quinn
General Counsel and VP for Legal Affairs



Subject: Policy 02-07-03 (Settlement of Claims and Litigation)

RECOMMENDATION

The Trustee Committee on Audit, Risk and Compliance recommends that the Board of Trustees approve adoption of a new Policy 02-07-03 (Settlement of Claims and Litigation) included as Attachment A hereto.

RESOLUTION

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby approves the adoption of Policy 02-07-03 (Settlement of Claims and Litigation) included as Attachment A hereto.

BACKGROUND

Pursuant to Article 4 of the Bylaws of the Board of Trustees of Michigan State University, the General Counsel is authorized "to execute all legal documents including those required for purposes of litigation and/or court proceedings." Currently, there is no formal requirement for Board involvement in the settlement of a claim or litigation aside from the Board's general authority over university funds. This policy establishes specific requirements for reporting, consent, and oversight of the settlement of a claim or litigation, and reserves certain authority in the Board itself.

cc: Board of Trustees, S. Stanley, T. Sullivan, N. Beauchamp, N. Barr, M. Zeig, M. Tarrant



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SETTLEMENT OF CLAIMS AND LITIGATION

02-07-03

As used in this Policy, the terms “claim” and “litigation” shall have the following meanings:

- a. "Claim" means a dispute in which a demand for payment is asserted in some manner other than through litigation.
- b. "Litigation" means (1) a lawsuit filed in a federal or state court; (2) an arbitration proceeding; or (3) a matter before a federal or state administrative agency.

The General Counsel shall have the authority to settle a claim or litigation for \$750,000 or less, subject to the availability of funds. The General Counsel shall have the authority to settle a claim or litigation for more than \$750,000 with a report to and the consent of the Board of Trustees. Accordingly, a settlement of any claim or litigation for more than \$750,000 shall be tentative, subject to a report to and the consent of the Board of Trustees, and such report and consent shall normally be sought at the next executive session of the Board of Trustees.

Adopted 06/26/2020