



**Policy: 3.39**

**SUBJECT:                    SETTLEMENT OF LITIGATION AND CLAIMS**

**Supersedes:**

**Effective:**                    September 8, 2008

**Page:**                            1 of 2

**Approved by:**                Detroit Board of Education

**1.0    Purpose**

The Board of Education established the following policy granting the General Superintendent and the General Counsel certain authority with respect to the settlement of litigation and claims against the school district, other than matters pending in Labor Relations.

**2.0    Definitions**

**2.1**    “Claim” shall refer to any demand for payment from an entity or individual which is disputed in whole or in part and is made by means other than litigation. Negotiations to adjust amounts payable under a contract shall not be treated as a “claim.”

**2.2**    “Litigation” shall refer to legal proceedings in the form of a lawsuit, arbitration proceeding or external administrative proceeding.

**3.0    Policy**

**3.1    Settlements by the General Counsel:**

The General Counsel, with the concurrence of the General Superintendent, shall have the authority to settle claims and litigation when the consideration paid by the school district does not exceed \$25,000; provided, however settlement of claims shall be subject to appropriate funding.

**3.2    Settlement Actions Reserved to the Board of Education:**

Proposals for settlements of claims or litigation in excess of \$25,000 shall be submitted to the Committee on Human Resources, Policies and Legislative Affairs for recommendation and to the Board of Education for final approval. Such proposals for settlements shall be accompanied by

the recommendation of the General Superintendent and the General Counsel and a statement of applicable fund source.

#### **4.0 Reporting of Settlement Actions**

The following reports of settlement actions shall be submitted to the Board of Education:

- a. At each regular meeting of the Board of Education by the General Counsel, all settlements of claims and litigation when the consideration paid by the General Counsel does not exceed \$25,000.
- b. At each regular meeting of the Board of Education by the General Counsel, all recommendations of settlements of claims and litigation by the Committee on Human Resources, Policies and Legislative Affairs to the Board of Education for final approval.

**Attachments to Policy 3.39:** None

**See also:** *Detroit Board of Education Bylaws Article I*

**Legal References:** MCLA § 380.483a

**Labor Contract References:** None