



OFFICE OF THE CHANCELLOR  
405 HILGARD AVENUE  
LOS ANGELES, CALIFORNIA 90095-1405

November 6, 2009

DA 672.03

**EXECUTIVE VICE CHANCELLOR & PROVOST SCOTT L. WAUGH  
VICE CHANCELLOR GERALD S. LEVEY, MEDICAL SCIENCES  
ADMINISTRATIVE VICE CHANCELLOR SAM J. MORABITO  
VICE CHANCELLOR, ACADEMIC PERSONNEL THOMAS RICE**

**Delegation of Authority – Settlement of Employment Claims and Separation Agreements With a Value of \$100,000 or Less**

- References:**
- (a) The Regents' Policy on Settlement of Claims and Separation Agreements, adopted November 20, 2008;
  - (b) UC DA 2222 (To Approve Settlements of Claims and Separation Agreements With a Value of \$100,000 or Less and Voluntary Separation Program Agreements of Less Than \$50,000) to Chancellors, dated May 29, 2009.
  - (c) UC Delegation No. 2008-03 (Authority to Approve Certain Non-Court Litigated Settlements) to Chief Campus Counsels, dated January 22, 2008.
  - (d) UC DA 2218 (Establishment of Voluntary Separation Program) to Chancellors, dated April 3, 2009.
- Supersedes:** DA 672.02 (To Approve Separation or Settlement Agreements in Non-Litigated Employment Matters, Involving Consideration of Less Than \$50,000) to Vice Chancellors Levey, Morabito, and Rice, dated 12/14/2007.

Effective as of the date above, I hereby delegate to you the authority to approve settlements of non-litigated employment claims and separation agreements for matters under your respective jurisdictions, when the consideration paid or received is \$100,000 or less. Litigated settlements must be reviewed and approved by Office of the General Counsel, except as specified in UC Delegation No. 2008-03, referenced above. The authority to settle employment claims and approve separation agreements is to be exercised subject to and in accordance with Reference (a), above. Litigated settlements or separation agreements that involve significant questions of University policy may require approval of The Regents. As used in this delegation, a "claim" is a disputed demand for payment from an entity or individual (including employees) made other than through litigation. "Litigation" is defined as legal proceedings in the form of a lawsuit, arbitration proceeding, or internal or external administrative proceeding. A "separation agreement" is an agreement with an employee by which the employee separates from University employment, but which does not involve a claim or litigation. Currently, there is no Voluntary Separation Program in effect at UCLA. Commercial negotiations to adjust amounts payable under a contract shall not be treated as claims. Delegated authority to execute settlement of non-employment claims is articulated in a separate campus delegation, UCLA DA 551.08.

All agreements must be approved as to legal form by University Counsel prior to execution unless the agreement is in a form previously approved by that office and is issued without revision. The release provisions of all settlements of separation agreement (employment claims), regardless of the amount of consideration, must be in a format approved by the General Counsel.

Each of you will provide the Vice Chancellor – Legal Affairs with a quarterly report identifying the employment claims settlements and separation agreements approved under this delegated authority. A report of settlements and separation agreements involving consideration of \$50,000 or more must be transmitted to the Vice Chancellor, Legal Affairs for subsequent reporting to The Regents.

This delegation is being reissued due to the supersession of the parent UC delegation (UC DA 2214, issued 12/12/08). The substantive changes to the delegation being superseded are the maximum dollar amount of the consideration that may be paid has increased from <\$50,000 to <\$100,000; specimen signatures are no longer required by the Office of Risk Services; authority to settle non-litigated separation agreements may be redelegated to the heads of Campus and Medical Center Human Resources. Any such redelegation of this authority shall be in writing with copies to me and those listed below.



Gene D. Block  
Chancellor

Attachment

cc: Executive Vice President – Business Operations  
Associate Vice President – Human Resources and Benefits  
Universitywide Policy Coordinator  
Vice Chancellor, Legal Affairs  
Hospital Legal Counsel  
Manager, Medical Center Workers' Compensation Program  
Director, Office of Insurance & Risk Management  
Manager, Administrative Policies & Delegations

## ATTACHMENT A

### The Regents of the University of California Policy on Settlement of Litigation, Claims and Separation Agreements

#### POLICY ON SETTLEMENT OF LITIGATION, CLAIMS, AND SEPARATION AGREEMENTS

Adopted September 15, 1995

As amended July 20, 2000, May 18, 2006, and November 20, 2008

The Regents adopt the following Policy on Settlement of Litigation, Claims, and Separation Agreements establishing the authority of The Regents, the President, and the General Counsel and requirements with respect to reporting of settlements and separation agreements.

(1) As used in this Policy, the following terms shall have the meaning specified:

a. "Claim" shall refer to any demand for payment from an entity or individual, including a University employee, which is disputed in whole or in part and is made other than through litigation. Commercial negotiations to adjust amounts payable under a contract shall not be treated as "claims."

b. "Litigation" shall refer to legal proceedings in the form of a lawsuit, arbitration proceeding, or internal or external administrative proceeding.

c. "Separation Agreement" shall refer to an agreement with a University employee by which the employee separates from University employment, but which does not involve a "claim" or "litigation," as defined above.

d. "Consideration" shall refer to a monetary commitment on the part of the University, whether in the form of a lump sum cash payment, or compensation for services for a specified term, or individually-negotiated payments for benefits (e.g., COBRA), or a non-monetary commitment on the part of the University; it excludes payments for salary and benefits previously earned by the employee (e.g., earned vacation leave) or continued employment on the same terms as existed prior to the agreement. When consideration is received by the University, it can also be monetary or non-monetary.

(2) Settlement Authority of the President

The President shall have authority to settle claims and to enter into separation agreements when the consideration paid or received by the University has a value of \$500,000 or less. Settlement of claims or separation agreements when the consideration paid or received by the University exceeds \$100,000 shall require the concurrence of the General Counsel. The release provisions of all settlements of claims and separation agreements, regardless of the amount of consideration, shall be in a format approved by the General Counsel. Settlement of claims and separation agreements by the President shall be subject to appropriate funding.

(3) Settlement Authority of the General Counsel

The General Counsel shall have authority to settle claims and litigation when the consideration paid or received by the University has a value of \$500,000 or less. All litigation settlements shall be reviewed and approved by the General Counsel. Settlement of claims or litigation by the General Counsel shall be subject to appropriate funding.

(4) Reporting of Settlements and Separation Agreements

a. Annually by the General Counsel, all settlements of claims and litigation, and all separation agreements, when the consideration paid or received by the University has a value greater than \$50,000.

b. At each regular meeting of The Regents, the Regents shall receive a report from the General Counsel of all settlements of claims and litigation, and all separation agreements, when the consideration paid or received by the University has a value greater than \$100,000 and up to \$500,000.

c. At each regular meeting of The Regents, the Regents shall receive a report of all settlements of claims and litigation and all separation agreements approved by the Chairman of the Board and the Chairman of the Committee on Finance pursuant to section 5.a. hereof.

(5) Settlement Actions Reserved to The Regents

The following proposals for settlements of claims or litigation or for separation agreements shall be submitted to the Chairman of the Board and the Chairman of the Committee on Finance or to The Regents for prior approval:

a. To the Chairman of the Board and the Chairman of the Committee on Finance, when the consideration to be paid or to be received by the University has a value greater than \$500,000 and up to \$1,000,000.

b. To The Regents, when the consideration to be paid or to be received by the University has a value in excess of \$1,000,000.

c. To The Regents, settlements or separation agreements of any amount involving significant questions of University policy.

d. To The Regents, settlements or separation agreements of any amount with Officers of the University (Standing Order 100.1(a)) and Officers of The Regents (Bylaw 20.1).

All settlement and separation agreement proposals which require approval by either the Chairman of the Board and the Chair of the Committee on Finance, or by the full Board, shall be accompanied by the recommendation of the General Counsel and a statement of the applicable fund source.

With regard to faculty members with tenure or security of employment, in the event that a faculty member's resignation and severance compensation is deemed by the President to be in the best interests of the University, pursuant to Standing Order 103.7, any resulting separation or settlement agreement shall be subject to this policy.