

STATE CONTROLLER POLICY

SETTLEMENT AGREEMENTS

1) Definition-Settlement Agreement. A State Contract between two or more parties for the purpose of ratifying agreements reached concerning employment or contractual disputes. The Settlement Agreement may include language releasing either or both parties from any actual or potential liability arising out of the dispute.

2) Policy

- a. Form and Content.** The Office of the State Controller (OSC) shall determine the form and content of all settlement agreements
- b. Signature Authority.** The OSC shall execute all settlement agreements unless the settlement agreement does not involve an expenditure of funds and the parties are an individual and an Agency or IHE.
- c. Contract Amendment.** When a contract dispute arises between an Agency or IHE and a Contractor, the Agency or IHE and the Contractor shall execute a settlement agreement as an amendment to the original contract.
- d. Offset.** Prior to signing the agreement, the OSC will contact Central Collection Services and the Judicial Department to determine whether the claimants owe the State money. If the claimant owes the State money, the amount of the settlement payment shall be offset by the amount owed or the claimant shall pay the amount owed to the State prior to the payment of the settlement amount by the State.

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State Controller