



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 10 – Special Expense 6.0	EFFECTIVE DATE: 03/25/1983
TITLE: Authorization and Processing of Legal Settlements and Other Unique Claims	REVISION DATE: 11/12/2014
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

Routine payments for goods or services regularly provided are authorized and processed in accordance with established purchase order, approved invoice and coding procedures. See APP Section 9 – FMS Processing 5.0 (Invoice/Voucher Approval and Certification of Goods and Services Received).

Occasional unique circumstances require prompt payment of relatively large amounts which cannot be processed in the usual manner. Such circumstances may result from out-of-court settlement of claims in litigation or negotiated settlement of other contested claims or allowances. Most of these unique claims involve some action by legal counsel.

POLICY

The Bureau of Fiscal Services (BFS) has established policies and procedures to follow when processing routine claims covered by purchase orders and contracts.

Unique claims, not covered by contracts with fiscal intermediaries, will be specially processed by BFS with advice by legal counsel upon request from a division.

Unique claims to be processed through a fiscal intermediary system, such as HP for Medicaid, will be processed in accordance with contractual agreements.

In all cases, the BFS lead accountant for the affected division is the liaison or contact point for communications with the Department of Administration (DOA) relative to arranging payment of any claim.

PROCEDURES

1. Legal counsel will be consulted by a division representative before negotiating, or agreeing to, a settlement of any claim or allowance. Legal counsel generally initiates such negotiations.
2. To ensure compliance with provisions and constraints of an agreement, legal counsel will contact BFS to make the necessary arrangements for obtaining a payment of a negotiated settlement.
3. BFS will ensure that appropriate documentation, properly endorsed, and DOA contact is taken care of and that funds are available. If payment is initiated in the Department of Enterprise Services, the program division shall be notified before requesting a check in payment of a negotiated settlement.

4. All contacts with DOA regarding payment authorization or processing will be made through the BFS lead accountant.

REFERENCES

[DHS APP Section 9 – FMS Processing 5.0](#) (Invoice/Voucher Approval and Certification of Goods and Services Received)

CONTACTS

[Deputy Director, BFS](#)

[Lead Accountants, BFS](#)