

Payment of Tort and Other Claims

Objective

To determine the source from which tort and other claims will be paid and to expedite payment.

Policy

[Minnesota Statutes section 3.736](#) provides that the Commissioner of Finance shall determine the proper account from which payment of tort claims will be made. "If there is enough money in an appropriation or combination of appropriations to the agency for its general operations and management to pay the claim without unduly hindering the operation of the agency, the commissioner shall direct that payment be made from that source. Claims relating to activities paid for by appropriations of dedicated receipts shall be paid from those appropriations if practicable. On determining that an agency has sufficient money in those appropriations to pay only a part of the claim, the commissioner shall pay the remainder of the claim from the money appropriated to the commissioner for the purpose. On determining that the agency does not have enough money to pay any part of the claim, the commissioner shall pay all of the claim from money appropriated to the commissioner for the purpose." When settling tort claims, agencies should not assume that separate funding is available or will be approved for payment of those claims.

Claims which may be paid from the appropriation for tort claims will be limited to those involving personal injury, property damage, or death allegedly caused by negligent conduct by a state employee acting within the scope of his/her employment. Examples of such claims include:

- Injuries suffered in a motor vehicle accident caused by the state's failure to properly maintain a state highway.
- Injuries received as a result of medical malpractice by a state physician.
- property damage due to flooding caused by a poorly designed building project.

Forms

Release Agreement Form--prepared by the Attorney General's Office (see step #3)

General Procedures

Step #	Actions to be Performed	Responsible Party
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1.	Unless handled internally, submit claim to the Attorney General's Office or Department of Administration. (If they already have the claim, they will notify the respective agency.)	Agency-designated Authority
2.	Investigate the claim, report findings to agency, and obtain from the agency either settlement authority or instruction to deny the claim. If the claim is denied, inform all affected parties.	Attorney General's Office or Department of Administration or agency-appointed authority
3.	<p>If the claim is paid, prepare release agreement form and obtain signatures from the claimant, the agency, and the Attorney General.</p> <p>Note:</p> <p>The signed release agreement form is the payment document from which the payment transaction is entered. However, under some settlement agreements, the release agreement may not be obtained until the recipient receives the payment. In this case, the Attorney General's Office/Department of Administration must send a memo to the Commissioner of Finance to request that the payment be processed and the warrant pulled and forwarded to the Attorney General's Office. The warrant will be held there until the release agreement is completed. Such a memo may also serve as the payment document. When the release agreement is obtained by the Attorney General's Office, it will be forwarded to Finance to be filed with the payment batch.</p>	Attorney General's Office or Department of Administration
4.	Prepare standard written request to the Commissioner of Finance to make payment to claimant. The Minnesota Management & Budget may pre-certify claims for a particular agency for each fiscal year in advance; in which case, send standard payment claim direct to the relevant agency.	Attorney General's Office of Department of Administration

5.	<p>For claims that do not meet the criteria for pre-certification, or for exceptional claims, review and analyze claim to determine agency's ability to pay, including a comparison of the size of the claim with the agency's budget, availability of unencumbered funds which could be used to pay the claim, and any other information relevant to the statutory policy for payment of tort claims. Forward to agency for payment if appropriate. Otherwise, recommend for payment from money appropriated to the commissioner of finance for the purpose.</p>	<p>Executive Budget Officer</p>
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