SUBJECT: Pending or Threatened Lawsuits

Effective Date: 3/15/2018
Policy Number: 28

Responsible Authority:
Chief Executive Officer

Scope:
Defines the protocol for pending or threatened lawsuits

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Pending or Threatened Lawsuits – This policy establishes protocol to acknowledge and disclose any pending or threatened lawsuits, claims, or assessments which may have an impact on the Foundation.

When a lawsuit is pending, or a summons is received the information should be immediately reported to the Chief Executive Officer (CEO). The CEO will notify the Executive Committee if the suit has merit, or if there is a probability of a lawsuit which will impact the Foundation's Finances or Operations.

Any employee who is aware of a pending lawsuit which would affect the Foundation either financially or operationally should report it directly to the CEO for evaluation.

Disclosure of Contingent Liabilities:

Management is to assess the probable outcomes of any threatened or filed lawsuit at the end of each fiscal year. In accordance with Generally Accepted Accounting Principles, companies must account for lawsuit settlements if material, when a loss is reasonably probable and the amount of the loss is reasonably estimated. If the lawsuit is not reasonably probable or the amount of the loss cannot be reasonably estimated, then, if material, the company should disclose the lawsuit and its potential amount as a footnote disclosure.

Office of Institutional Advancement
Chief Executive Officer, FAU Foundation
Signature: Danita D. Nias
Date: 5.16.18