

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents

March 20, 2008

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to Purchase Artwork by Jacqueline Hoats (University of Michigan Employee Jacqueline Hoats, Artist)

Background:

The University of Michigan Office of the Vice President for Research (OVPR) seeks approval to purchase an acrylic on canvas painting, "Lake George Lily pads" by Jacqueline Hoats, as part of an office renovation project. The painting is not available from any other artist, is one-of-a-kind and was selected by OVPR based on cost efficiency. OVPR has purchased several paintings from other artists as part of the renovation project.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Jacqueline Hoats is a University employee and would be a party to the contract as the artist for this painting. However, the Statute allows the University to enter into such contracts if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
  - i) The name of each party involved in the contract.
  - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
  - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

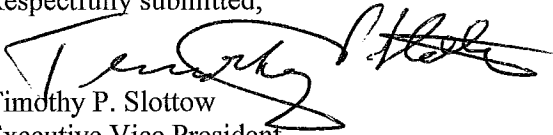
- i) The parties to the contract are the Regents of the University of Michigan and its Office of the Vice President for Research and Jacqueline Hoats.

- ii) The purchase is a 30" x 24" acrylic on canvas painting for \$450.
- iii) The pecuniary interest arises from the fact that Jacqueline Hoats, a University of Michigan employee as Administrative Assistant Senior in the Office of the Vice President for Research, is the artist of the painting.

Jacqueline Hoats has met state law requirements with the disclosure of her pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the purchase between the University of Michigan and Jacqueline Hoats subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President  
and Chief Financial Officer

March 2008