

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 15, 2010

ACTION REQUEST

Subject: Master Subrecipient Agreement between the Regents of the University of Michigan and the Hope Foundation

Action Requested: Authorization to enter into Agreement

Preamble:

This proposed master subrecipient agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Drs. Larry Baker and Anne Schott are both employees of the University and Directors and Officers of the Hope Foundation (Foundation) and other non-faculty University employees are both employees of the University and serve functions related to the operation of the Foundation. The law permits the University to enter into such an agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents.

Background:

Larry Baker, D.O., Professor of Internal Medicine, Division of Hematology/Oncology and Deputy Director, Comprehensive Cancer Center, is a member of the Board of Directors and President of the Hope Foundation a non-profit organization located in Ann Arbor, Anne Schott, MD, Associate Professor of Internal Medicine, Division of Hematology/Oncology, is a member of the Board of Directors and Secretary of the Foundation, Nathan Eriksen, Chief of Administration, Southwest Oncology Group at the University of Michigan, is a member of the Board of Directors of the Foundation. Drs. Baker and Schott receive no compensation from the Foundation and have no financial interest in the Foundation. Other non-faculty University employees may receive compensation directly from the Foundation or indirectly through an agreement between the University and the Foundation for services rendered to the Foundation.

Terms of the Agreements:

The University will enter into an Agreement with the Company that will cover standard procedures for performance of projects as well as provisions implementing University and federal or other sponsor required policies. The Agreement will cover an initial six-year period with a total authorization not to exceed \$25,000,000. The University will use standard procedures to justify the placement of projects with the Foundation and will review the cost of each project. Budgets will be reviewed and approved by authorized representatives of the requisitioning unit and the Office of Contract Administration. The Agreement includes provisions for changes in time, amount, and scope of each supported project and the master Agreement itself. University procedures for approval of each project will be followed and additional review by the Medical School Conflict of Interest Board will be done on a project-by-project basis.

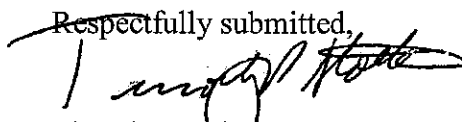
Impact of the Agreement:

The master agreement will enable research projects involving the Foundation to be performed in a timely manner. It also provides for a stable and ongoing support mechanism to support collaboration between the Medical School and the other institutions participating in the Southwest Oncology Group.

Recommendation:

These matters will be reviewed by the Medical School Conflict of Interest Board, and a plan will be developed to manage the potential conflict of interest risks associated with the projects that will be implemented under the terms of the master subrecipient agreement prior to the University's approval of any individual project. In light of the disclosure made in this document and our finding that the master agreement is negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University entering into this master subrecipient agreement with the Hope Foundation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy P. Slottow". The signature is written in a cursive style with a large, sweeping initial "T".

Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2010