

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
September 22, 2006

ACTION REQUEST

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

Action Requested: Authorization for the University to Approve a Payment for Vincent Castagnacci (University of Michigan Employee)

Background:

The University of Michigan's Investment Office wishes to receive approval to make a payment to Vincent Castagnacci. The department wishes to make this payment for artwork leased from the artist. Vincent Castagnacci, a University of Michigan Employee, is the artist. This artwork was originally leased as part of a program called Artreach, which was administered by the School of Art and Design. When the program was discontinued in 2004, the Investment Office continued to lease the art directly from the artist.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Vincent Castagnacci is a University employee and would be a party to the contract by virtue of being the artist. However, the Statute allows University employees to participate in such purchases, 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 Investment Office, and Vincent Castagnacci.
- ii) The product provided was leased artwork for a period of two years and a total dollar amount of \$240.00.
- iii) The pecuniary interest arises from the fact that Vincent Castagnacci, a University of Michigan employee, is the artist.

Vincent Castagnacci has met state law requirements with the disclosure of his pecuniary interest, and his 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 contract between the University of Michigan and Vincent Castagnacci, subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Sletow
Executive Vice President & Chief Financial Officer

September 2006