

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

ACTION REQUEST

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

Action Requested: Authorization for the University to make a Payment to Ann Arbor Occupational Training Inc. (University of Michigan Employee Matthew Schroeder, Stockholder and President)

Background:

The University of Michigan Health System Department of Radiology seeks approval to make a payment to Ann Arbor Occupational Training, Inc. (AAOT) for CPR refresher training. AAOT was selected because of their competitive pricing and ability to provide adequate instructors, facilities and parking.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Matthew Schroeder is a University employee and would be a party to the contract by virtue of his role as stockholder and President of AAOT. 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 University of Michigan Health System Department of Radiology and Ann Arbor Occupational Training Inc.
- ii) The payment is for three days of CPR refresher training required every 2 years for all clinical staff. The total payment for the course offered March 18 through 20, 2008, is \$4,860.
- iii) The pecuniary interest arises from the fact that Matthew Schroeder, a University of Michigan employee as Registered Nurse in the Psychiatry Unit of the U-M Hospital, is a stockholder and President of Ann Arbor Occupational Training Inc.

Mr. Schroeder 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 payment between the University of Michigan and Ann Arbor Occupational Training Inc. 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

November 2008