

**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 transact with Melisa Schuster (University of Michigan Employee, Melisa Schuster, Creator and Distributor)

Background:

The University of Michigan Department of Psychiatry seeks approval to transact with Melisa Schuster for the purchase of CD's which will be used to teach self-care skills to teachers and parents in the Mom Power/HMB attachment-based curriculums.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Melisa Schuster is a University employee as Program Manager with the UMH Michigan Visiting Nurses and would be a party to the contract as Creator and Distributor of the CD's.

However, the Statute allows the University to enter into such agreements 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.

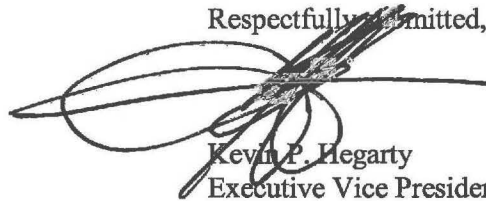
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Psychiatry and Melisa Schuster.
- ii) The agreement is for the purchase of 190 CD's used to teach self-care skills to teachers and parents in the Mom Power/HMB attachment-based curriculums for a total cost of \$1,900. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Melisa Schuster, is the Creator and Distributor of the CD's.

Melisa Schuster 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 by the supervisor of Melisa Schuster 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 agreement between the University of Michigan and Melisa Schuster subject to requirements, if any, that the supervisor of Melisa Schuster or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin P. Hegarty", is written over the typed name and title. The signature is stylized with loops and a horizontal line extending to the left.

Kevin P. Hegarty  
Executive Vice President  
and Chief Financial Officer

February 2017