

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 Purchase Artwork from Sherril A. Smith
(University of Michigan Employee and Artist)

Background:

The University of Michigan C.S. Mott Children's and Von Voigtlander Women's Hospital ("Mott") seeks approval to purchase artwork as part of their art collection on display in the newly constructed Mott replacement hospital. Artists were selected by an Advisory Panel according to guidelines established in Mott's Public Art Policy.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Sherril A. Smith is a University employee and would be a party to the purchase as artist of the original works. 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:

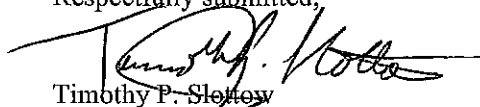
- i) The parties involved in the purchase are the Regents of the University of Michigan, Mott and Sherril A. Smith.

- ii) The purchase is two original works of fiber art, *Pascal's Triangle* 49.5" x 52" and *Fingers* 59" x 52", for a total of \$11,600.
- iii) The pecuniary interest arises from the fact that Sherril A. Smith, University employee as Catherine B. Heller Collegiate Professor of Art, is the artist of the original works purchased by Mott.

Sherril A. Smith has met state law requirements with the disclosure of her pecuniary interest and formal appointment arrangement 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 Sherril A. Smith subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slotow
Executive Vice President
and Chief Financial Officer

October 2010