

**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 enter into a promotional event with The Ark (University of Michigan Employee Kathryn Huss, unpaid Chair of the Board of Directors, The Ark)

Background:

The University of Michigan University Unions Arts and Programs seeks approval to collaborate with The Ark for a one time concert performance at the Power Center for the Performing Arts. This one time performance featured Vienna Teng. The Ark was selected because of their considerable knowledge of local music interest and large following to which they could promote the event.

The proposed collaboration falls under the State of Michigan Conflict of Interest Statute as Kathryn Huss is a University employee as Deputy Director & Chief Administrative Officer at the Museum of Art and would be party to the promotional event as volunteer and unpaid Chair of the Board of Directors of The Ark.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

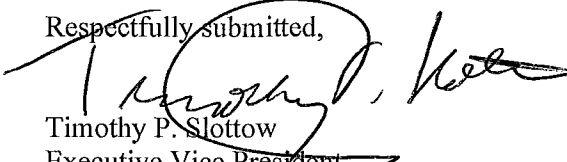
- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership 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 University Unions Arts and Programs and The Ark.
- ii) The request is to enter into a joint venture with The Ark to co-produce the concert at the Power Center for the Performing Arts. All expenses and revenues to be split 50/50. The revenues totaled \$22,200 and expenses totaled \$20,058.24 which resulted in a net revenue to the University of \$1,070.88
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Kathryn Huss, is a volunteer and unpaid Chair for the Board of Directors of The Ark.

Kathryn Huss 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 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 The Ark 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 2011