

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
June 16, 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 Professor Ellwood Derr (University of Michigan Employee Ellwood Derr, Collection Owner)

Background:

The University of Michigan's Music Library wishes to receive approval to make payment to Professor Ellwood Derr. The department wishes to make this payment for 8 books and 23 musical scores from his private collection. Professor Ellwood Derr has acquired his collection over a period of years, and the items are all out-of-print, making them very rare.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Ellwood Derr is a University employee and is a party to the purchase by virtue of his position as Collection Owner. 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.

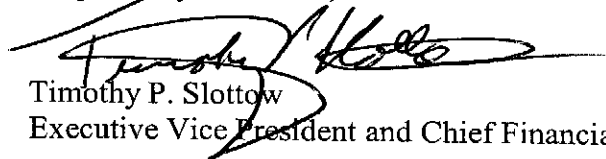
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Music Library and Professor Ellwood Derr
- ii) The product provided is rare musical books and scores. The cost for the product is \$811.00.
- iii) The pecuniary interest arises from the fact that Ellwood Derr, a University of Michigan employee, is a Collection Owner of Professor Ellwood Derr

Ellwood Derr 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 Professor Ellwood Derr, 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

June, 2006