

**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 amend an ongoing contract with the Institute for Social and Environmental Research-Nepal (University of Michigan Employee, Dirgha Ghimire, Director and member of the Board of Directors with 5% or greater equity ownership interest).

Background:

The University of Michigan Institute for Social Research, through its Population Studies Center, seeks approval to amend an existing contract with the Institute for Social and Environmental Research-Nepal ("ISER-N") for the purpose of continued research activities.

The proposed amendment falls under the State of Michigan Conflict of Interest Statute as Dirgha Ghimire is a University employee as Research Associate Professor and a Faculty Associate in the Institute for Social Research and would be party to the contract as Director and Member of the Board of Directors at ISER-N.

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 contract, which disclosure shall be a matter of record in its official proceedings.
- b) The contract 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 contract, including duration, financial consideration between the parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.
 - iii) The nature of any pecuniary interest.

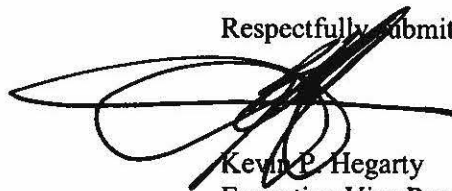
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Institute for Social Research through its Population Studies Center and ISER-N.
- ii) The proposed amendment is for ISER-N to continue research activities through June 30, 2020 for an addition amount of \$92,392. The terms of the contract will continue to comply with appropriate University requirements. Since research projects are often amended, this contract includes a provision for changes in time, amount, and scope.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Dirgha Ghimire, is Director and Member of the Board of Directors at ISER-N with 5% or greater equity ownership interest.

Dirgha Ghimire has met state law requirements with the disclosure of his 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 amendment to the contract between the University of Michigan and ISER-N, subject to requirements, if any, that either 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 a horizontal line. The signature is stylized with loops and a long horizontal stroke extending to the left.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

September 2019