

Faculty Authors, Royalties and Assigned Text Books

ETHICS ADVISORY: <http://www.washington.edu/faculty/files/2014/05/textbook.pdf>
(revised link 2/13/15)

The URL above contains the official word on royalties and assigned text books. If you have any questions, please contact Richard Cordova, Executive Director of Audits (206-543-4028, rcordova@uw.edu).

The State has interpreted the ethics of textbook assignment very conservatively to prevent an abuse that has occurred at the K-12 level. The State wants to make sure that you are not profiting from sales to a captive audience. Ideally, in the State's view, you would simply decline the royalties for the captive sales.

The UW's approach is to suggest the following to faculty that when assigning one's own text:

1. Get a copy of the royalty statement that covers the quarters one is using the text in class.
2. Document an estimate of how much the royalties is attributable to the class assignment.
3. Make a donation to the UW either in that amount, or, if you already donate, write a memo that you keep with your tax filing a statement that says, "the first \$X of your donation to the UW was passing the royalties to the UW Foundation." As a donor, you may assign that donation to any fund that you do not control*.

*The Chair controls the discretionary account, the faculty author does not.

Gift Processing: A shorter explanation is posted on the website for gift processing (<http://depts.washington.edu/uwadv/central-resources/gproc/gift-processing-guidelines/>). All royalties directed to gift accounts must be accompanied by the Faculty Directed Royalties Gift form.

i. Royalties

The Washington State Executive Ethics Board released a new item stating that it is a violation of the state Ethics Act for a faculty member who is a state employee to make a profit on the sale of his or her textbooks to students at his or her educational institution. For more information, please refer to <http://www.washington.edu/faculty/files/2014/05/textbook.pdf> (revised link 2/13/15). Faculty may redirect these payments in one of two methods:

- The faculty may receive the royalties and write a personal check to donate the funds directly to the University of Washington. The faculty member will receive the appropriate tax receipt for the contribution.

- The faculty may direct the publisher to directly donate the royalties to the University of Washington. The publisher will receive a tax receipt for the contribution, and the faculty will receive honorary credit for the gift(s).

All royalties directed to gift accounts must be accompanied by the Faculty Directed Royalties Gift form (http://depts.washington.edu/uwadv/wp-content/uploads/2012/03/FAC_DIR_ROYALTY_GIFTS.pdf) which is located on <http://depts.washington.edu/uwadv/central-resources/gproc/gift-processing-guidelines/> (updated links 2/13/15)

Note: Most royalties, honoraria, and consulting fees from the sponsoring organization paid directly to the University are accepted as “Assigned Income”, and credited to the individual who has redirected their payment to the University.