

Royalty Policy for Instructor-Developed Classroom Materials

BL-ACA-I26



About This Policy

Effective Dates:

12-05-2017

Last Updated:

12-05-2017

Responsible University Office:

Office of the Vice Provost for Faculty and Academic Affairs

Scope

This applies to all instructors who receive financial compensation exceeding the cost of production (a “royalty”) from assigning materials they have developed in any course they teach or in a course in which they have meaningful influence over the assignment of materials.

Policy Statement

Receiving Royalty Compensation

Under some circumstances, an instructor may receive royalties on books, course packets or other materials that he/she has authored and assigned to his/her class.

Course packets. Instructors often compile or “author” their own “course packets” to augment a published textbook or to take the place of a textbook. Course packets vary in composition from collections of articles, book chapters, and cases created by other authors to materials created by the instructor for the course (e.g., PowerPoint slides, practice problem sets, exercises to facilitate classroom discussion, computer printouts with detailed interpretive narrative, extensive text that would approximate what one would find in a published textbook, etc.). They also vary in form from collections of articles and slides to full-text notes that have been professionally formatted and may have the appearance of a textbook but which have not been formally published and made available through public outlets (i.e., vendors beyond IU and TIS).

With respect to course packets, it may be possible to recover royalty compensation on instructor-authored material when the following three conditions have been met:

1. the material is distributed and actively marketed to the public or academic institutions beyond IU by a publisher that sets the price (e.g., Prentice Hall, McGraw-Hill, Free Press, etc.);
2. the material is being purchased by students at institutions beyond IU; and
3. a royalty agreement has been established between the author and the publisher who is marketing/distributing the textbook (e.g., Irwin, McGraw-Hill, Free Press, etc.).

In the event that materials do not meet the criteria above, then the materials should be reviewed by a faculty committee within the school or college (such as the executive committee, curriculum committee, or policy committee) to determine whether the assignment of the materials is appropriate for that course and whether the royalty amount is usual and customary.

In effect, the above conditions constitute those associated with a textbook. Under these conditions, when an instructor wishes to include chapters in his/her course packet from a book he/she has published, TIS and IU

Custom Publishing are required to obtain copyright release from the instructor's publisher. Accordingly, any royalty compensation will depend on contractual arrangements between the instructor and the publisher of his/her book.

Published textbooks. Assuming that a textbook meets the criteria for recovering royalty compensation noted above, if an instructor assigns a textbook that he/she has authored, the instructor may receive royalty compensation at the rate agreed upon in the terms of the textbook contract.

Reporting Royalties

If the amount of royalties the author anticipates from sales to his/her class, plus royalties made from sales to students in his/her other IU classes in the last 12 months, exceeds the amount defined in HR-07-40 Conflicts of Interest policy, then the author should indicate this on the Financial Conflict of Interest form, and follow the instructions on that form for completing a separate disclosure under Indiana state law.

Reason For Policy

When instructors earn income from materials that students are required to purchase, some external review is necessary and beneficial. As of November 30, 2017 when this policy was drafted, the HR-07-40 Conflicts of Interest policy specifies that amounts of \$250 or more per year require disclosure.

History

Approved: BFC 12/5/2017

Related Information

[HR-07-40 Conflicts of Interest](#)