

ETHICS ADVISORY UW Internal Audit 2010 - 01

The following information is provided to advise University of Washington faculty about an area of possible exposure to complaints under the Washington State Ethics Act.

Background

On September 15, 2008, the Washington State Executive Ethics Board released a news 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. See page 2 of the following linked document: [Ethics Newsletter 9-15-08](#).

How To Comply With This Requirement

The Ethics Act generally prohibits any state employee from participating in an official decision from which the employee personally profits. The State Ethics Board believes it is a violation of this principle for a faculty member to assign students a book from which the faculty member receives royalties or other compensation.

Every faculty member and other University employee is *individually* responsible for complying with the Washington State Ethics Act. (The University can help, but cannot comply *for* the employee.) There are two alternative ways for a faculty member to comply with the Ethics Board's book assignment interpretation: (1) avoid any role in the decision to assign the faculty member's book or (2) forego any royalties arising out of the assignment decision.

Alternative 1 – Avoiding the Assignment Decision. In some situations or for some faculty members, it may be practical to step out of the process of recommending or assigning a class to use the faculty member's book. If, for instance, the assignment is made by a dean, department chair, or committee without the participation of the faculty member, that will comply with the Ethics Act. Participation includes advice or recommendation, as well as decision making, under the ethics code.

Alternative 2 – Forego the Royalties. Often it is not desirable or practical for the faculty member to be screened from the book assignment decision. In such instances, the faculty member must establish an effective way to separate himself or herself from any royalties that result from that decision. The following considerations should be addressed:

- *How to calculate the royalties.* The ease of calculating royalties will vary with each circumstance and can be complicated by factors such as the number of courses and sections using the book, the market for the book beyond the classroom, the availability of multiple editions and used books, and the likelihood that the book is a shared resource among classmates. While a very careful accounting may be an option, for many faculty members, the small amount of royalty money involved or the difficulty of a precise calculation may make it more practical to *overestimate* the royalties than to pursue a strict accounting. In such cases, simply multiplying the per-book royalty times the number of students to whom the book is assigned by the faculty member-author will generate a conservative and safe figure.
- *How to handle the royalties.* If it is feasible, the faculty member should work with his or her publisher to waive or return the amount of royalty money calculated above. If that is not feasible, the faculty member may also comply by either passing the royalty money on to the University Foundation for its official use or by distributing the royalty money to the students in the classes in question.

If you have any questions, please contact Richard Cordova, Executive Director of Audits at 206-543-4028 or via email at rcordova@uw.edu.