

I. Policy Statement

The Board of Education recognizes the right of, and encourages, Howard County Public School System (HCPSS) employees to produce materials, processes, and inventions apart from their employment with the HCPSS. Depending upon the circumstances, royalties for such materials, processes or inventions may be paid to the employee or to an approved charity.

II. Purpose

The purpose of this policy is to establish provisions which encourage employees to use their professional expertise for developing materials, processes, or inventions, and to provide for the equitable allocation of royalties and other ownership rights.

III. Definitions

Within the context of this policy, the following definitions apply:

- A. Approved Charity – Any charity recognized as legitimate for federal tax purposes by the U.S. Internal Revenue Service.
- B. Payment of Account (*pro rata*) – An HCPSS employee’s share of net profits on sales of materials, processes or inventions to the HCPSS by a company in which the employee has a 3% or more ownership interest.
- C. Royalty – A percentage payment on gross sales to an author or producer by a company or producer of materials, processes or inventions.

IV. Standards

- A. The Board encourages employees, on their own time and apart from their employment with the HCPSS, to research, author, or produce materials, processes, or inventions. The Board also recognizes the right of employees to own business interests in companies which produce such materials.
- B. The Board retains the rights to all materials, processes, or inventions produced by HCPSS employees on HCPSS time or as part of their duties. In this situation, the Board reserves the right to copyright or patent these materials in its name and to

otherwise exercise ownership rights, including royalty rights, regarding these materials.

In a situation where the activity is performed partially on private time and partially on Board time, or using Board resources, the employee must apprise the Superintendent's Designee in advance and obtain prior permission to use Board time or resources. If the activity is approved, the respective rights of ownership between the employee and the Board will be addressed in a written agreement. If there is no such agreement, the rights of ownership shall belong to the Board.

- C. Materials authored or produced by employees may be purchased by the HCPSS if they are approved for purchase according to standard evaluation and selection procedures for those items.
- D. An employee may not participate in the evaluation or procurement of materials, processes, or inventions wholly or partially produced by the employee, spouse, domestic partner, parent, or child.
- E. An employee who receives royalties or compensation on the sale of materials, resources, or inventions to the HCPSS, must donate royalties and/or net *pro rata* profits to an approved charity if
 1. The sale of the materials, resources, or inventions exceeds \$7,500 annually, or
 2. The employee receives a pro rata share of payment of account on sales of materials, resources, or inventions in excess of \$7,500 annually.

The amount that is to be donated is the royalties and/or net pro rata profits on any sales in excess of \$7,500.

- F. Any employee who chooses not to comply with the foregoing requirements may request of the Superintendent/Designee that his or her materials not be purchased by the HCPSS. Such requests will be honored.
- G. An employee may not use Board property or personnel in preparing materials for personal distribution or use unrelated to the school system.
- H. Any employee found in violation of this policy shall be subject to employee discipline as outlined in Policy 7030.

V. Compliance

Employees are responsible to only collect royalties for materials, processes and

inventions created apart from their employment with the HCPSS or as set forth in a written agreement with the Superintendent/Designee under Standard B.

VI. Delegation of Authority

The Superintendent is authorized to develop appropriate procedures to implement this policy.

VII. References

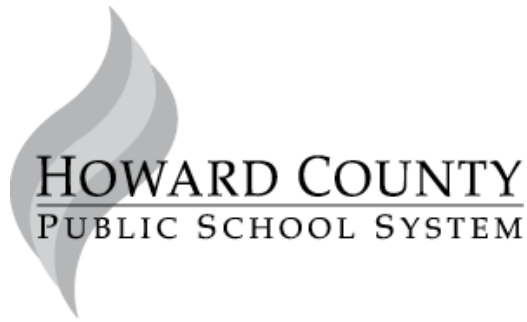
- A. Legal
- B. Other Board Policies
 - Policy 4050 Procurement of Materials, Supplies, Equipment and Services
 - Policy 8040 Selection of Instructional Materials
 - Policy 7020 Nepotism
 - Policy 7030 Employee Discipline
- C. Other
 - Howard County Public School System Ethics Regulations

APPROVED: May 5, 1970

AMENDED: November 20, 1990

April 16, 2009

EFFECTIVE: July 1, 2009



POLICY 7060-PR
IMPLEMENTATION PROCEDURES
ROYALTIES

Effective: July 1, 2009

I. Staff Members' Obligations

- A. An employee who receives royalties on the sale of materials, processes, and inventions to the Howard County Public School System (HCPSS) in excess of \$7,500 gross sales annually, or who receives a *pro rata* share of payments of account for instructional or administrative materials purchased by the HCPSS in excess of \$7,500 gross sales annually, must report such sales in an annual report to the Superintendent, submitted in July of each year. This annual report must contain the employee's best estimate of gross sales and royalties, and/or *pro rata* net profits, based on such information as may be available from the publisher, company, or the HCPSS Purchasing Office, as well as a brief description of the method used to estimate gross sales. This report must include the amount of gross sales (if they exceed \$7,500) and the name of the approved charity to which net profits and/or royalties earned on the amount in excess of \$7,500 were donated.
- B. An HCPSS employee who prefers not to sell his or her materials processes or inventions to the (HCPSS) may petition the Superintendent in an annual request listing all such instructional or administrative materials. This request will be honored.

II. Superintendent's Obligations

- A. The Superintendent/Designee will maintain a file of the reports of employees on royalties, payments of account, and charitable donations, and will make this file available to the Board of Education on request.
- B. In the case of employees who request that their instructional or administrative materials not be purchased, the Superintendent /Designee will so notify the Purchasing Office and appropriate school system account managers.

ADOPTED: November 20, 1990

AMENDED: April 16, 2009

EFFECTIVE: July 1, 2009