



## MITx Revenue Guidelines

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When MIT offers online courses through external channels, MIT may receive revenue attributable to the provision of the course. In the event an online course generates such revenue, MIT generally will share the revenue it receives with certain of the individuals who contributed to the creation or offering of the online course, their respective departments and MIT's General Fund.

These Guidelines apply to revenues received by MIT that are directly attributable to the offer of massive open online courses (MOOCs) through edX/2U, and through MITx Online, the platform wholly owned and operated by MIT. (If an online course is offered for a fee or through another channel, such as MIT Professional Education or MIT Sloan Executive Education, other policies, practices or arrangements may dictate the allocation of revenue.)

Revenues directly attributable to a particular offering of a MOOC, such as fees for certificates recognizing successful completion of the MOOC and fees from licensing the MOOC, net of the platform share<sup>1</sup> are referred to herein as Gross Revenues. Gross Revenues will be applied or distributed as follows:

In the case where 115% of the documented cumulative costs of developing, improving and running the MOOC incurred by Open Learning, including funds transferred from Open Learning to the DLC and course team for these purposes as well as documented costs corresponding to work for these purposes done within Open Learning, exceed the cumulative gross revenues:

- 5% of the Gross Revenues will be distributed to each of:
  - Members of the Course Team according to their relative contributions to the particular offering of the MOOC or Program in terms of effort and intellectual content, as described in Appendix A
  - The departments in which the members of the Course Team have appointments, as described in Appendix A
  - MIT's General Fund.

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<sup>1</sup> Both edX/2U and MITx Online retain 30% of revenues received and additional associated fees (e.g., proctoring fee) for the platform share.

- The remaining 85% of the Gross Revenues will normally remain with Open Learning to offset cumulative costs of the course or program.

In the case where the cumulative revenues of the MOOC exceed the cumulative costs:

- First, Open Learning will receive an amount equal to 115% of accumulated, documented costs that are incurred by the Open Learning in connection with the MOOC, including costs of improvements to the MOOC, and are not covered by funding from departments, laboratories or centers.
- Next, one-third of the remaining Gross Revenues (referred to herein as Net Revenues) will be distributed to each of
  - the members of the Course Team as described in Appendix A.
  - the departments in which members of the Course Team have appointments as described in Appendix A. If the Course Team draws from more than one department, the relevant School Dean or Deans will determine a fair allocation between or among the departments. A department head may, in his or her discretion, allocate all or a portion of the department's share of Net Revenues to laboratories and centers that were involved in the creation or offering of the MOOC.
  - MIT's General Fund.

These Guidelines supersede any existing policies and guidelines that may be applicable to revenue covered by these Guidelines, including, without limitation, the MIT Compensation Guidelines for Special Activities and Programs, the MIT Technology Licensing Office's royalty distribution policies and previous versions of these Guidelines.

These Guidelines are effective as of March 24, 2022.

## Appendix A: Details on Distribution

### Course Team:

Members of the Course Team will receive distributions according to their relative contributions to the particular offering of the MOOC in terms of effort and intellectual content, which may include contributions made in connection with prior offerings of the MOOC (for example, lecture videos or teaching materials). The Course Team for a particular offering of a MOOC is composed of those individuals who contribute more than incidental content or teaching effort to that offering of the MOOC and who are, or were at the time of the contribution, MIT faculty members, academic instructional staff and research scientists. The Course Team members' relative contributions will be determined as follows:

- If the Course Team is composed of more than one individual, but all are from a single academic department, each member's relative contribution will be determined by the department head.
- If the Course Team is composed of more than one individual and the individuals are from more than one academic department, each member's relative contribution will be determined by the relevant School Dean or Deans, in consultation with the heads of the relevant departments.
- If the individual charged with making the determination of relative contributions is a member of the Course Team, the determination of the relative contributions will be made by the relevant School Dean or Deans.

A Course Team member's right to Gross Revenues terminates upon his or her death unless the Course Team member has designated a single beneficiary by filing a designation of beneficiary with the Course Team member's Department; and

A Course Team member's department will receive the Course Team member's share of Net Revenues in lieu of the Course Team member or his or her beneficiary if:

- The Course Team member is no longer at MIT and his or her department does not have current contact information at the time of distribution;
- The Course Team member has died and any of the following is true:
  - i. The Course Team member has not designated a beneficiary;
  - ii. The designated beneficiary's contact information is not current at the time of distribution; or
  - iii. The designated beneficiary has died.

## Department

Departments in which members of the Course Team have appointments will receive distributions. If the Course Team draws from more than one department, the relevant School Dean or Deans will determine a fair allocation between or among the departments. A department head may, in his or her discretion, allocate all or a portion of the department's share of Net Revenues to laboratories and centers that were involved in the creation or offering of the MOOC.