

## **Compensation to Research Subjects**

### **I. Introduction**

University research projects may require the participation of human subjects, and in order to accomplish the goals of the project, compensation may be offered as an incentive to offset any costs due to participation. In compensating these research subjects, the University has the following goals:

1. To compensate research subjects as soon as possible following their participation in the study.
2. To offer participants and researchers multiple methods to compensate participants for their time and effort in participating, realizing that some methods are more appropriate than others, depending on the nature of the study.
3. To maintain appropriate and sufficient documentation to satisfy sponsor and federal regulatory requirements.
4. To ensure that research projects are not charged for expenses related to compensation of research subjects until after the participant has been compensated.

### **II. Methods of Compensation**

Compensation to research subjects must be authorized by the Principal Investigator (PI) and may be made by the following methods, depending on the amount of the compensation:

- a. For compensation of \$500 or less:
  - i. By University check, payable to the participant. The check to the participant is requested and authorized by completing and submitting a Departmental Authorization Voucher (DAV) to Accounts Payable.
  - ii. By check or cash, from an authorized imprest cash fund maintained by or on behalf of the PI (note that compensation in excess of \$500 must be made by DAV). (See Business Procedures Manual Section E-2-5 regarding establishing imprest cash funds to make payments to research subjects.)
  - iii. By gift certificate/card, purchased with funds from an authorized imprest cash account.
  - iv. By gift certificate/card, obtained from Treasury Services and maintained in the form of an imprest cash account between the grant and Treasury Services.
- b. For compensation in excess of \$500:
  - i. By University check payable to the participant. The check to the participant is requested and authorized by completing and submitting a Departmental Authorization Voucher (DAV) to Accounts Payable.
- c. All compensation to non resident aliens must be made by DAV (not from imprest cash accounts) and must be supported with proper documentation as required in Business Procedures Manual section E-7-7, "Payment to Non Resident Alien Individuals."

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III. Documentation

a. Standard Documentation Requirements

Compensation to research subjects must be made in accordance with Internal Revenue Service guidelines and University procedures for taxable payments. The documentation that must be submitted is dependent upon the individual compensation amount, as follows:

- \$0-\$100, receipts signed by the participants acknowledging compensation, and a form W-9 is **strongly recommended**, but required only if total compensation during the calendar year will exceed \$600.
- Over \$100, signed receipt and W-9 for each participant. Note that a form W-9 does not need to be submitted if previously provided for the participant.

Note: In instances where some form of electronic payment is made and it is not practical to obtain a signed acknowledgement of payment, electronic evidence of disbursement to the participant will provide sufficient documentation.

The PI must be cognizant of the total compensation expected for an individual participant during a calendar year. If it is anticipated that this total may exceed \$600, a W-9 must be submitted as part of the reimbursement documentation outlined above, regardless of the current payment amount. If the PI recognizes that a subject is a participant in other studies, then it may be prudent to obtain the form W-9 in anticipation of compensation in excess of \$600 for the current calendar year. In addition, the PI should inform participants that the University is required to report to the IRS all compensation received for participation in a research study that amounts to \$600 per year or more.

b. Exception to Standard Documentation Requirements - Certificates of Confidentiality:

An exception to the requirement to submit a W-9 and/or other identifying information about an individual participant may be granted if the study is of a highly sensitive nature and a Certificate of Confidentiality has been secured from the National Institutes of Health **in advance**.

If an exception is desired, and the payments are to be made from an imprest cash account, the Principal Investigator must submit a formal request to the Manager of Treasury Services. The request for an exception should include the following:

- 1) A copy of the Certificate of Confidentiality issued by the NIH;
- 2) The account number, as indicated in the university's financial system, for which the Certificate of Confidentiality was obtained;

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- 3) A sample copy of the written notification of IRS reporting requirements to be distributed to all participants;
- 4) A completed “Request to Establish or Increase Imprest Cash Fund”;
- 5) A written plan outlining how the PI/Custodian will maintain appropriate participant records (e.g., name, address, social security number, compensation dates and amounts received), as well as the method to be used by the PI to cross reference participant records with the “coded identifiers” to be assigned for the reimbursement process; and
- 6) A detailed budget indicating the number and dollar amount(s) of compensation to be issued in a 45 day period to demonstrate how he/she arrived at the total amount of imprest funds being requested.

If an exception is desired, and the payments are to be made by DAV, only items 1 and 5 above need be provided along with the reimbursement request.

The entire packet should include a cover letter containing the signature of the Principal Investigator and the appropriate Associate Dean for Research, indicating that all parties have reviewed the packet. The PI/Custodian is responsible for maintaining detailed records for each participant and each payment issued for audit purposes.

IV. Exceptions to Policy

The policy contained in this Business Procedures Manual section should be followed for all compensation to research subjects. There may be individual grant circumstances which require special consideration with regard to method of compensation, dollar thresholds, documentation requirements, etc. Such instance should be submitted to the Office of the Treasurer for review and approval on an individual basis.

V. Other

a. Returned Checks

For payments made by University check authorized with a DAV (as opposed to payments made via an imprest cash fund), any checks returned by the U.S. Post Office as undeliverable are returned to the General Accounting Department for follow up, remailing, and/or safekeeping. General Accounting personnel will notify the PI of returned checks related to their studies to seek assistance in obtaining a valid remailing address. Inquiries regarding returned checks should be directed to this office.