

**Compensation to Research Subjects**

**Compensation to Research Subjects or Survey Participants**

**I. Purpose**

Provide guidance to University administrators and principal investigators when research projects require the participation of human subjects and compensation is offered as an incentive to offset any costs due to participation.

**II. Definitions**

- *Human subject/Research Participant:* A living individual about whom an investigator conducting research obtains (1) data through intervention or interaction with the individual, or (2) identifiable private information.
- *Imprest fund:* An advance from the University to an individual custodian to provide change or make payments of relatively small amounts for authorized purchases of supplies, non-personal services and research subjects.
- *Declining Balance Procurement Card:* A procurement card with limited time and value used to make authorized purchases of award items for research subjects or survey participants and, if approved, cash payments to research subjects or survey participants.
- *Incentive Awards and Prizes:* Under Kentucky Charitable Gaming guidelines {KRS 238.505 (7)}, provided there is no requirement of ticket purchases, a drawing may be used to encourage participation in a particular research protocol. The prize(s) may be in the form of cash, check, gift card or other incentive. (The dollar value of a prize is limited to \$500 or less and must be in accordance with the Office of Research Integrity guidelines for compensation to research subjects.)

**III. Responsibilities**

- Principal Investigator (PI) and his/her Business Staff:
  - If the study is funded by an externally sponsored agreement and a WBS element is established through the Office of Sponsored Projects Administration, the Principal Investigator and his/her business staff are responsible for ensuring that the compensation method is allowable, allocable, reasonable and in accordance with any specific sponsor guidelines.
  - Must ensure that all Incentive Drawings must be in accordance with the Office of Research Integrity guidelines for compensation to research subjects.
  - Must obtain and keep appropriate and sufficient documentation to satisfy sponsor and federal regulatory requirements, including those of the IRS.
  - The PI is responsible for authorizing all compensation to research subjects
  - Compliance with University of Kentucky policy and procedures for Procurement Card purchases/payments. [BPM B-3-2-1](#) The PI must be cognizant of the total compensation expected for an individual participant during a calendar year including participation in other studies as the University is required to report the total of these payments to the IRS. (See Exception in VI. below)
  - When applicable, provide business staff with Certificate of Confidentiality to be attached to payment documents.
- Accounts Payable Services:

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- Final audit of all requests for payment by Payment Request Document (PRD).
- Final audit of all requests for reimbursements of Imprest Cash expenses.
- Final audit of all reconciliation reports of Declining Balance Procurement Cards.
- Imprest Cash Custodian:
  - The imprest fund custodian is responsible for maintaining detailed records for each participant and each payment issued for audit purposes.
- Treasury Services:
  - Review request for imprest cash funds
  - Review requests for exceptions due to Certificate of Confidentiality
- Declining Balance Procurement Cardholder:
  - The Declining Balance Procurement Cardholder is responsible for maintaining detailed records for each participant and each payment issued for audit purposes.
  - The Declining Balance Procurement Cardholder must, no less than once a quarter or 15 days following completion of the Research project, submit a reconciliation report with copies of all supporting documentation to the Procurement Card Administrator.
- Office of Research Integrity:
  - Review request for Certificate of Confidentiality.
  - Approve or deny request.
  - Assign numbered approved Certificate of Confidentiality.
  - Provide internally issued Certificate of Confidentiality to the requestor.

**IV. Policy**

- The University will compensate research participants in strict accordance with Internal Revenue Service (IRS) regulations and University policies and procedures. Note: If the PI anticipates that the total amount paid in calendar year may exceed \$600, including participation in other studies at UK, see Section V (3) below.
- Units must compensate research subjects as soon as possible following their participation in a study.
- Payments to nonresident aliens may not be made through an imprest cash fund or declining balance procurement card.
- The University will provide multiple ways to compensate participants for their time and effort, realizing that methods will vary depending on the nature of the study.
- Research projects may not be charged for expenses related to compensation of research subjects until after the subject has completed the services.

**V. Compensation Procedures**

**Note:** Payment to Nonresident Aliens - all compensation to Nonresident Aliens must be made by a University check through the Payment Request Document (PRD) process with proper documentation. Refer to Business Procedure [BPM E-7-7](#) for complete procedures

1. **\$100 or less**

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- a. **Compensation of Cash or Non-Cash items of \$100 or less in value may be paid/acquired using the following Procurement Methods:**
- 1) By University check payable to the subject/participant using one-time payment feature in Payment Request Document (PRD).
  - 2) By Imprest Cash Funds (see [BPM E-2-1](#) for directions on establishing and maintaining an imprest account for a Principal Investigator)
  - 3) By Procurement Card – **used for Non-Cash compensation ONLY**. May not be used for Gift Card purchases. (see [BPM B-3-2-1](#) for directions on acquiring a Procurement Card) **Must use general ledger code 535042 on procurement card edit to ensure appropriate tracking.**
  - 4) By Declining Balance Procurement Card (see [BPM E-7-16](#) for directions on acquiring a Declining Balance Procurement Card for a Principal Investigator)

**Note:** see Procurement Card Program Cardholder Manual for information on record retention and documentation standards. **Procurement card edit documentation or the supporting authorization document must be signed by the Principal Investigator or the responsible person for the research.**

- b. **Documentation required for Cash or Gift Card compensation:**
- 1) Regardless of the method used to pay/acquire, a [Request and Authorization for Payment of Human Research Subjects and/or Participants form](#) or a signed statement from the subject/participant or the responsible individual for minors, certifying they participated in the research project and acknowledging they have received the Cash or Gift Card item must be provided as documentation.
    - a) In the case of payment by imprest or University check, this should be attached to the PRD labeled documentation.
    - b) In the case of payment with Declining Balance Procurement Card funds, this document should be retained with Procurement card edit documentation and a copy shall be included with the reconciliation report.
  - 2) For payments made to third party providers of research services, (i.e. Survey Monkey) for gift cards or making online account credits (e.g. Amazon or eBay) to research subject/participants attach a statement or invoice from the provider that lists the names of the subjects/participants and the dollar amount/value of the compensation.
    - a) In the case of payment by imprest or University check this should be attached to the PRD labeled documentation.
    - b) If paid with a Declining Balance Procurement Card this

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document should be retained with Procurement card edit documentation and a copy shall be included with the reconciliation report.

NOTE: Gift Cards should be purchased as needed. Purchases should not be made more than 14 days in advance of distribution to the subjects/participants. Appropriate safeguard controls over unused inventory of cards should be exercised and timely reconciliation of issued cards.

- c. **Documentation required for Non-Cash compensation:**
  - 1) Incentives other than Cash or Gift Cards may be given to subjects/participants without requiring written acknowledgement by the recipient provided they are authorized and approved by the Principal Investigator. Procurement Card edit documentation or the supporting authorization document must be signed by the Principal Investigator.
  - d. **Expenses may be charged directly to a WBS element (grant) or cost center provided; the transactions are authorized and approved by the Principal Investigator. (Procurement Card edit documentation or the supporting authorization document signed by the Principal Investigator) Large bulk purchases of supplies or gift cards should be limited to 14 day supply.**
- 2. **Greater than \$100 up to \$500**
  - a. **Compensation of Cash or Non-Cash items of greater than \$100 in value may be paid/acquired using the following Procurement Methods:**
    - 1) By University check payable to the subject/participant using Payment Request Document (PRD)  
**Note:** the subject/participant must be established as a vendor in the PRD database. (To establish a vendor in the PRD database complete a [Vendor Application](#) or forward a completed and signed IRS W-9 Form to the Purchasing Division.)
    - 2) By Imprest Cash Funds - A single payment from an imprest cash account may not exceed \$500. (See [BPM E-2-1](#) II for directions on establishing and maintaining an imprest account).
    - 3) By Declining Balance Procurement Card (see [BPM B-3-2-1](#) for directions on acquiring a Declining Balance Procurement Card for a Principal Investigator)  
**Note:** see Procurement Card Program Cardholder Manual for information on record retention and documentation standards. **Procurement card edit documentation or the supporting authorization document must be signed by the Principal**

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**Investigator.**

**b. Documentation required for Cash or Gift Card compensation:**

- 1) An IRS W-9 form must be completed and signed by the participant.
  - a) In the case of payment by imprest or University check this should be separate attachment to the PRD labeled as W-9.
  - b) In the case of payment by Declining Balance Procurement Card this document should be included with the reconciliation report.
- 2) A signed statement from the subject/participant certifying they participated in the research project and acknowledging receipt of the payment or that payment is forth coming (A single statement may be used to document incremental payments made throughout the project.).
  - a) In the case of payment by imprest or University check this should be separate attachment to the PRD from the W-9 and labeled as documentation.
  - b) In the case of payment by Declining Balance Procurement Card this document should be retained with Procurement card edit documentation and a copy shall be included with the reconciliation report.
- 3) For payments made to third party providers of research services, (i.e. Survey Monkey) for gift cards or making online account credits (e.g. Amazon or eBay) to research subject/participants attach a statement or invoice from the provider that lists the names of the subjects/participants and the dollar amount/value of the compensation. This should be a separate attachment from the W-9 labeled as documentation.

NOTE: Gift Cards should be purchased as needed. Purchases should not be made more than 14 days in advance of distribution to the subjects/participants. Appropriate safeguard controls over unused inventory of cards should be exercised and timely reconciliation of issued cards.

**c. Documentation required for Non-Cash compensation:**

- 1) An IRS W-9 form must be completed and signed by the participant.
  - a) If purchased with imprest or University check this should be attached to the PRD labeled as W-9
  - b) If purchased with Declining Balance Procurement Card this document should be included with the reconciliation report.

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- 2) A signed statement from the subject/participant certifying they participated in the research project and acknowledging receipt of the Non-Cash compensation.
  - a) In the case of payment by imprest or University check this should be separate attachment to the PRD from the W-9 and labeled as documentation.
  - b) In the case of payment by Declining Balance Procurement Card this document should be retained with Procurement card edit documentation and a copy shall be included with the reconciliation report.
3. **Calendar Payments May Exceed \$ 600**

**If the PI anticipates that this total may exceed \$600, including participation in other studies, adhere to the following procedures:**

- a) When paying by University check make all payments with the participant as an established vendor. Do not use the one-time payment feature.
- b) When paying with imprest funds, submit a W-9 as a separate document with the request for reimbursement of the imprest fund as outlined above, regardless of the current payment amount.
- c) In all cases 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.

**VI. Exception to Documentation Requirements - Certificates of Confidentiality**

An exception to the requirement to submit a W-9 and/or other identifying information about an individual participant for payment purposes only may be granted if a Certificate of Confidentiality for the specific research project has been secured from the National Institutes of Health (NIH) for non-NIH funded projects or from the Office of Research Integrity for NIH supported projects. Imprest Cash Custodian responsibilities remain the same in this circumstance. In this case,

- A. The principal investigator must submit a formal request for an exception to the manager of Treasury Services. The request should include the following:
  1. A copy of the Certificate of Confidentiality issued by the NIH or by ORI.
  2. The cost object, as indicated in the university's financial system, for which the Certificate of Confidentiality was obtained.
  3. The identification number assigned to the Certificate of Confidentiality by ORI.

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4. A sample copy of the written notification of IRS reporting requirements to be distributed to all participants.
- B. The entire packet should include a cover letter containing the signature of the Principal Investigator indicating that they have reviewed the packet.
- C. If an exception is granted, all the payments are to be made from an imprest fund. The imprest fund may then be reimbursed by a Payment Request Document (PRD) payable to the imprest fund custodian and documented with only a copy of the Certificate of Confidentiality displaying the ID number issued by ORI.