

The Huron team, at Marisa's request, gave some input on our draft document. Based on those comments and a subsequent meeting between Rob, Marisa and Teri, we have split this into 2 companion documents; the first with pith policy and overview information and the other with detailed procedural information. Comments are included in these documents and some changes to the text have been made based on those comments. Marisa suggested that we review the Ohio State documents. They can be found here:

<http://busfin.osu.edu/FileStore/GuidelinesResearchSubjects.pdf>

[http://busfin.osu.edu/FileStore/Comm\\_hsManagingSubjectPayments100808.pdf](http://busfin.osu.edu/FileStore/Comm_hsManagingSubjectPayments100808.pdf)

## OUTSTANDING ISSUES

Currently the policy as stated requires tax information be collected when a participant is paid in excess of \$50. There was concern that \$50 is too low and the amount should be \$100. Some institutions do not require this information until payment exceeds \$100. The IRS does not indicate what amount is considered de minimus however have ruled in other situations that \$100 is not de minimus. The committee felt this is an issue that would need to be addressed by legal counsel and/or the executive leadership council.

Comment [h1]: \$50 does seem low. It seems like when I was at Arizona, it was \$100.

- a. Stanford University: \$100.00  
<http://www.stanford.edu/dept/psychology/system/files/payinghumansubject.pdf>
- b. University of California, Santa Barbara requires SSN "no matter the amount of payment"
- c. University of Virginia: \$100.00  
[http://www.virginia.edu/finance/avpcompt/taxforms/human\\_subjects.pdf](http://www.virginia.edu/finance/avpcompt/taxforms/human_subjects.pdf)
- d. UNLV: \$50.00 <http://research.unlv.edu/policies/human-subjects-payment.pdf>
- e. UW: \$50.00  
<http://www.washington.edu/research/hsd/formRetrieve.php?ver=accreditation&id=131>
- f. IRS Taxable fringe benefits guide: [http://www.irs.gov/pub/irs-tege/fringe\\_benefit\\_fslg.pdf](http://www.irs.gov/pub/irs-tege/fringe_benefit_fslg.pdf)
- g. Ohio State: \$100.00

### Other items to be addressed:

- What level of due diligence is required for obtaining nonresident alien information? The IRS has ruled that all payments to NRA's are subject to 30% withholding tax. Does this require every subject to show identification or is it sufficient to ask NRA's to self identify?

Ohio State says this:

#### Payment Eligibility and Visa Status for Research Subjects:

- For payments, both cash and non-cash, of up to \$100/subject/calendar year, it is not necessary to determine the citizenship status of the research subject. However, for single payments of more than \$100, or when it is anticipated that a

subject will receive multiple payments from a single research protocol that will add up to more than \$100 in a calendar year, a potential subject's citizenship status must be reviewed before the subject is enrolled in the study. The review is intended to ensure that the person's visa category allows them to receive income from the University. Payments to nonresident aliens that will exceed \$100 in a calendar year must be processed through University or OSURF Accounts Payable, depending on the source of funds. For payments processed through Accounts Payable, each research subject is required to complete an *AP Compliance Form* (substitute W-9).

- A web application has been developed to allow individuals to sign-in when joining a study. Each entry would provide a unique identifier which is provided to the PI for payment. Potential issues include computer and web access in the field.

#### **What the web application does: <http://ba.uoregon.edu/human-subject-links>**

Database for human subject payments for studies where an individual is or is expected to be paid \$50 or more per calendar year:

1. Provides a secure server to house personally identifiable information
2. Provides complete separation between the subject and the study
3. Eliminates the need for manual tracking of payments
4. Eliminates the requirement for PI's to track cumulative payments to subject(s) per IRS regulations
5. Provides easy reports to the departmental and central accounting office when reconciling petty cash, checking account, gift cards etc.
6. Provides easy reports for ORSA regarding expenses for human subject payments

#### **How does it work?**

1. Either subject or a member of the research team can enter the subject's personal information. Required fields are:
  - a. First & last name (required)
  - b. Social security number (required)
  - c. Date of birth (required)
  - d. Address (optional but highly suggested)
  - e. Phone number (optional)
2. A unique identifier using last name and date of birth is assigned to the subject
3. The PI or designee can optionally enter information about each project. Doing so will allow payments to be tied to the project and enable the reporting feature.
4. The PI or designee using the unique identifier for the subject enters payment information
5. If the subject accumulates \$600 or more in payments in any given calendar year, 1099 information will be reported to the IRS. Only accounts payable will have this information however accounts payable will not be able to identify what study the subject was in.

UNIVERSITY OF OREGON

# Guidelines on Payment to Research Subjects

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## Draft

**Rob Freytag, Brett Giles, Dan Patten, Martha Schumacher, Teri Rowe, Lynette Schenkel, Beverly Morehouse, Olivia Pierce,  
Marisa Zuskar – THIS IS INCLUDED ONLY DURING POLICY DEVELOPMENT – ONCE IT MOVES TO THE NEXT LEVEL OF  
REVIEW**

**8/27/2010**

This manual is intended to establish policy for all payments to human subjects used in research at the University of Oregon.

## **University of Oregon Guidelines on Payments to Research Subjects**

University research projects may require the participation of human subjects. Often, these individuals receive payments - in the form of cash, checks or non-cash items - for their participation. Principal Investigators (PIs) and other faculty/staff members who are conducting research are responsible for ensuring that subjects are eligible to receive payments (in accordance with US Tax and Immigration laws) and for ensuring that the payment process is appropriate. This document provides important information regarding paying human subjects for their participation in research projects. Generally, the same procedures pertain no matter whether subjects are paid from sponsored projects or department funds. Differences are noted below. Also all references to a year mean a calendar (or tax) year.

### **Payment is Taxable Income**

All subjects, prior to their participation in a research project, must be informed that any payment received for participation, regardless of amount, is taxable income. Cumulative payments \$600.00 or more per calendar year are subject to federal income reporting requirements.

### **Payment Eligibility and Visa Status**

For research subjects who are known to be foreign nationals, tax identification number should always be obtained regardless of the dollar amount. Due to potential tax withholding requirements, research subject payments to foreign nationals may ONLY be paid via the accounts payable process. The research subject will be required to complete additional paperwork with Accounts Payable. Please contact accounts payable at 6-4235 for more information. These payments will be reported to the research subject and the IRS on form 1042-S at calendar year end.

### **Payment Options**

Use of petty cash as well as checking accounts and related internal control procedures (including appropriate segregation of duties related to cash handling and physical custody over gift cards and other non-cash items) are subject to review and approval by the Director of Business Affairs and Controller or his/her designee. Deans and Vice Presidents may implement requirements that are more restrictive than those specified in this document for their areas of authority, as long as the additional restrictions are documented.

**Departmental Petty Cash** -- The most common way to pay research subjects, particularly for smaller dollar amounts, is from a departmental petty cash advance. A request for a petty cash advance is processed in the accounts payable department. The departmental accountant is required to maintain complete records of payments to research subjects. Detailed procedures for petty cash advances are in the companion document, *Managing Research Subject Payments*.

**Human Subject Checking Accounts** -- Principal Investigators or designee may request a Treasury approved checking account and write check(s) to subjects, rather than using a petty cash account when a Certificate of Confidentiality is on file. Detailed procedures for this payment mechanism are in the companion document, *Managing Research Subject Payments*.

**Payments through the University Accounts Payable System** -- Payments exceeding or expected to exceed \$50 per participant per calendar year must be paid through the University Accounts Payable department except when a Certificate of Confidentiality is on file.

**Non-Cash Gifts for Research Subjects** -- In lieu of a cash payment, it may be appropriate to thank a research subject with a non-cash item such as a gift card or a T-Shirt. The value of non-cash items provided to a research subject as part of a single research protocol may not exceed \$50.00 per year.

**Payments to University Employees:**

University employees may receive research subject payments like any other subject, provided that their participation is entirely voluntary and is clearly unrelated to their employment duties. Payments will be processed in accordance with this policy.

**Reporting Requirements and Exceptions for Confidential Studies:**

PIs and other faculty/staff conducting research are required to collect names and signatures from the recipients of cash payments or non-cash gifts. To provide for subject confidentiality, the subject list is maintained by the PI in the study file, and an anonymous log (for example, a listing of the date, amount, and a subject study number) is provided to the department to document the use of funds. Payments exceeding or expected to exceed \$50 per calendar year must be paid from a treasury approved checking account.

Use of the Human Subject Payments Web Application eliminates the need to track the above information separately.

**METHODS OF DISBURSEMENT AND PROCESS OVERVIEW**

The following summarizes the procedures for payments to research subjects. The companion document, *Managing Research Subject Payments*, provides additional details on the various payment methods.

- Departmental Petty Cash
- Banner Accounts Payable
- Departmental Treasury Approved Checking Account

Payment Type	Petty Cash	Checking Account	Accounts Payable	UO Substitute W-9 Required
Up to \$50 - Non Confidential	Y	N	Y	N
Over \$50 - All Studies	N	N	Y	Y
Up to \$50 - Confidential studies (!)	Y	Y	Y	N

(!) Principle investigators are responsible for ensuring that personally identifiable information is not linked back to the study in any way.

*Please note that research subjects should only be paid by the methods set forth in these documents. Employees should not provide subject payments from personal funds and seek reimbursement.*