

UNIVERSITY OF OREGON

Managing Research Subject Payments

Draft

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This manual is intended to provide detailed procedural guidance on payments to human subjects used in research at the University of Oregon

This document provides detailed procedural guidance on payments to research subjects. It includes payment mechanisms for research studies conducted by university faculty and staff. It should be used in conjunction with its companion document, *Guidelines on Payments to Research Subjects*. Questions regarding university research subject payments may be directed to the Accounts Payable division of the Business Affairs Office. As with all expenditures, payments to human subjects are subject to audit.

HUMAN SUBJECT INCENTIVE PROCESS

The university recognizes the importance of encouraging individuals to participate in research as human subjects. Each subject contributes time and effort to research. The university permits reasonable cash payments or other types of incentives to be provided to subjects as a means of compensation for these contributions.

Research projects that involve payments to subjects must have approval before subjects can be compensated. The amount of proposed payments are reviewed and approved in advance of the initiation of research by the Committee for the Protection of Human Subjects (CPHS), for the purpose of ethical concerns and determining that the amount does not constitute undue influence to prospective research participants.

FINANCIAL AUTHORITY AND ACCOUNTIBILITY

The University of Oregon places responsibility for financial management of human subject research in the hands of the departmental accounting office as account custodian with oversight by the principal investigator (PI). Individuals in these roles, as well as individuals who have administrative or study team roles, should clearly understand the financial authority and institutional obligations that accompany these responsibilities as outlined below:

- It is the responsibility of the custodian to maintain the funds securely
- Internal Controls

University units must follow proper procedures and exercise internal controls when handling the payment of human subject incentives. A system of internal controls is designed to provide reasonable assurance that errors will be detected and corrected in the normal course of activities. Necessary components of this system include:

- Segregation of duties between those who request, approve and become custodians of incentive funds.
- Written procedures and documented controls that clearly outline the details of departmental processes for obtaining and disbursing human subject incentives.
- Tracking, inventory or logging process should be in place to ensure all funds, types and whereabouts of subject incentives are known.
- Controlled access to resources such as cash, cash equivalents, checks, deposit supplies, account information, and personal information
- Evidence and any unused subject incentives with no intended future use must be returned within 30 days.

- Verification and reconciliation of financial information must occur no less frequently than every 30 days.

METHODS OF DISBURSEMENT AND PROCESS OVERVIEW

The following summarizes the procedures for payments to research subjects.

Payment Type	Petty Cash	Checking Account	Accounts Payable	UO Substitute W-9 Required
Up to \$50	Y	N	Y	N
Over \$50	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.

- Petty cash and treasury approved checking accounts must be reconciled no less than every 30 days. Reconciliations and reimbursement requests can be done as often as necessary to assure funds are available when needed. Unused funds allocated for payments to subjects must be accounted for and returned to the funding source to ensure proper controls and accounting.
- Start up funds and reimbursement can be a maximum of \$2,500 or 30 days (whichever is less) as required for payments to human subjects. Exceptions to this maximum can be approved under limited circumstances and must be approved by the Sponsored Projects Administrator (SPA). An example of an approved exception would be a 2-3 day study where payments to subject are expected to exceed \$2,500.00.

Departmental Petty Cash

Can be used for non-confidential or confidential (with Certificate of Confidentiality on file) studies with one time or cumulative payments not to exceed \$50 per participant per year.

- Petty Cash website: <http://ba.uoregon.edu/staff/petty-cash>

Petty cash will be issued to the department accountant, acting as custodian. Petty Cash Funds should never exceed a 30 day allowance for expenses paid through the petty cash fund. Each reimbursement to the fund must be reconciled by the custodian prior to the reimbursement being completed in Banner. The reimbursement is limited in amount in accordance with the above stipulations.

Banner Accounts Payable

Can be used for non-confidential studies regardless of payment amount.

Procedures for vendor set up and invoice payment can be found on the Business Affairs website:

- Vendor Setup: <http://ba.uoregon.edu/staff/vendor-setup>
- Invoice Payment: <http://ba.uoregon.edu/staff/participant-supportstipend>

Establishing a Treasury Approved Checking Account

Used exclusively for confidential human subject studies when one-time or cumulative payment(s) exceed or are expected to exceed \$50 per participant per calendar year.

When a treasury approved checking account is needed, the Director (or assigned designees) of Office of Research Services and Administration (ORSA) will provide the Business Affairs Office (BAO) with written authorization that a research project has been approved for human subjects, the project has adequate funding and should appropriately utilize a treasury approved account. This letter will indicate the UO research staff that will be authorized as signers on the checking account (see next paragraph) and the grant fund to be used.

The treasury approved checking account will be provided to a university department and the office manager or accountant will act as the account custodian. The principal investigator will designate appropriate faculty and staff with signature authority to sign on the account. The BAO and the research department will maintain a list of UO employees authorized to sign on the account. Only UO employees will be authorized to sign on the account and only authorized signers will be allowed to sign checks to participants. Only human subjects can be paid from checking accounts, no other expenses are eligible for payment from the checking account.

The custodian will maintain a check register to sign blocks of check stock out to authorized UO research employees. The authorized research employee will sign the form Treasury Approved Checking Account Series Advance Receipt acknowledging receipt and responsibility for the stock and agreeing to terms and conditions for appropriate use. Check stock awaiting issue will be kept locked in the account custodians office or other secure, limited access and appropriate space. The departmental check register must be retained in accordance with appropriate record retention and grant requirements.

The designated research faculty and staff will issue and sign the checks to the participants. They will maintain a spreadsheet summarizing the register activity that will be stored in a secure manner such as locked in a filing cabinet or desk drawer. The register should include the date, check number, subject ID number and amount of payment. This will be provided to the checking account custodian no less than on a monthly basis. The departmental check register must be retained in accordance with appropriate record retention and grant requirements.

The account custodian will record the payments to participants as a disbursement to reduce cash and record participant cost to the appropriate source of funds. The research department's checking account custodian will receive copies of the cancelled checks directly from the bank and will reconcile the account on a monthly basis. As part of the monthly reconciliation, the account custodian will review and certify that checks have not been made payable to authorized signers on the account and that checks have been issued only to registered research participants. A designated individual that is not an authorized signer on the bank account will provide the account custodian with a list of registered participants for reconciliation purposes.

For studies with a Certificate of Confidentiality on file, payments to participants should be tracked using a register with a unique identifying number. For regulatory purposes all registers must be forwarded to the Office of Research and Administration (ORSA) showing the amount paid to each person or unique identifying number.

Comment [TLR1]: Who then can do the account reconciliation if the study is confidential since the subject names will be on the cancelled checks

A signed certification that the reconciliation has been completed will be forward to the BAO each month.

Comment [TLR2]: What should this say exactly and should we develop a specific form that BAO accounting should receive every month?

ORSA and designated research faculty and staff will be responsible for ascertaining that all funds expended are in compliance with the terms of the applicable grant/contract.

Comment [TLR3]: Does a section need to be added here explaining the ORSA approval process to either reimburse or close the account?

IRS Taxable Income Reporting Requirements:

All income taxable including payments received for participating in research. The IRS requires reporting of income when the cumulative annual payments per person in any calendar year exceed \$599.99.

The University of Oregon considers all payments less than \$50 to be de minimus in nature and no action is required. However, if the expected cumulative payments will exceed the \$50 threshold during the calendar year, it is no longer de minimus and the following procedures must be followed to ensure compliance with IRS reporting regulations.

OPTION 1: HIGHLY RECOMMENDED

<http://ba.uoregon.edu/human-subject-links>

The Business Affairs Office has developed a web application to handle all tracking of payments. This easy to use application includes security features to safeguard personally identifiable information both in regards to research participation confidentiality as well as in accordance with the Oregon Identity Theft Protection Act.

The web app has the capability of tracking payments by PI and/or project which will export to a report that can be submitted to the petty cash or checking account custodian as well as to ORSA.

OPTION 2: - *Applies only if Option 1 above is not used*

RESEARCH SUBJECT PAYMENTS IN EXCESS OF \$600 ANNUALLY

If a research subject is paid \$600 or more annually, the departmental custodian of the funds is responsible for reporting those payments to Accounts Payable for purposes of 1099-MISC reporting to the Internal Revenue Service. In these situations, the **custodian must report the following information to the accounts payable office by December 31st of the calendar year of payment:**

- A completed University of Oregon substitute W9 form found at <http://ba.uoregon.edu/sites/ba/files/forms/uosubstitutew-9.pdf>
- Total amount disbursed to the subject

- Any known information regarding participation in other UO research in the current calendar year (see below “Payments from Multiple Projects”)
- indicate “research participant” across the top of the Substitute W-9
- name, phone number and department name of person preparing the report

Because the information contains sensitive material, it must be transmitted to AP in person or delivered by campus mail in a sealed envelope marked confidential. Please contact accounts payable 6-4235 for more information.

Foreign Nationals

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 6-4235 for more information. These payments may be subject to taxation and will be reported to the research subject and the IRS on form 1042-S at calendar year end. Details can be obtained on page 2 of the Substitute W-9 found here:

<http://ba.uoregon.edu/sites/ba/files/forms/uosubstitutew-9.pdf>

Payments from Multiple Research Projects

The PI or designated member of the research team must confirm and document in writing with the individual that the individual is not receiving or received any other income payments from UO, such as human subject pay from other research projects or compensation for services (employee or independent contractor) during the calendar year. If the individual is receiving such payments or if the PI is unable to confirm and document as such, any human subject payment or series of payments will be reported to the IRS by the accounts payable office.