

University of Massachusetts Lowell

Human Subject Payments

Date: November 2008

OVERVIEW

The University often conducts research projects that involve the use of Human Subjects. Payments to Human Subjects may be paid in the form of cash, gift cards/certificates, or check depending on the circumstances of the study and the dollar amounts involved. The Institutional Review Board reviews and approves proposed incentives (payments), as part of the protocol review process, for anyone participating in human subject research. Verification of IRB approval for the payment or incentive amount and process can be provided by either the researcher or the IRB Administrator.

U.S. Tax and Immigration laws dictate that the University and its employees comply with certain rules and regulations pertaining to processing compensation for participants in Human Subject studies. To ensure compliance with these regulations, the procedures outlined in this policy must be followed. Failure to comply with these procedures may result in a violation of Federal Law.

HUMAN SUBJECT PAYMENTS IN NON-CONFIDENTIAL STUDIES

Cash or Gift Card/Certificate Payments

Payments to Human Subjects may be processed in the form of cash or gift cards/certificates if the total payment to each Human Subject during the course of the study does not exceed \$600 for the calendar year. If gift cards/certificates are used as the payment mechanism, it is imperative that all gift cards/certificates are distributed during the course of the study since it is unlikely the merchant will redeem those that are not used.

Studies in which the recipient is paid in cash or gift card/certificate must be funded by requesting a Travel Advance issued in the name of the faculty/staff member responsible for the program. The advance is requested by submitting a Travel Advance Form to Accounts Payable Department. The form is available at http://www.uml.edu/procurement/pdf/procurement_forms/travel_advance_request.pdf

- A description of the study must be attached.

- The advance payment is issued in the form of a check made payable to the employee. Please allow at least five business days for processing.

The department conducting the study must maintain a schedule of the payments issued, including name, address (if available), signature of recipient (if obtainable), amount paid to each individual, and date. This schedule must be attached to a Travel Reimbursement Form when the faculty/staff member settles the program advance.

The form is available at

http://www.uml.edu/procurement/Forms/AP007_Travel_Reimbursement_Form.xls

Check-Issued Payments

Human Subject payments must be issued in the form of a check by processing a Vendor Payment Voucher Form and W9 Form when:

1. Total payments to a Human Subject during the course of the study are equal to or greater than \$600 for the calendar year; or
2. Payments are made to individuals outside of the immediate vicinity, thereby requiring payment to be mailed.

In these instances, a vendor payment voucher form must contain the Human Subject's name, home address, and the dollar amount of the payment. After obtaining approval signatures, the voucher may be forwarded to Accounts Payable for processing.

The forms are available at <http://www.uml.edu/procurement/>

HUMAN SUBJECT PAYMENTS IN CONFIDENTIAL STUDIES

In certain circumstances, research studies are performed in which the privacy of the Human Subjects must be protected and the confidentiality of the data must be maintained. If the research study has been determined to be confidential, the procedures for obtaining the funds for payment are the same as those described above.

Cash or Gift Card/Certificate Payments

Cash or gift card/certificate payments may be processed for up to \$600 to any one Human Subject in a calendar year for confidential studies. Use the procedure for Human Subject Payments in Non-Confidential Studies with the following exceptions:

- Because the study is confidential, it is not necessary to identify the Human Subject as described above for non-confidential studies; however an identifying code must be assigned to each Human Subject being paid.
- A listing of these codes, along with the dollar amounts paid to each must be attached to a Travel Reimbursement Form and submitted to Accounts Payable for processing.
- A cross-reference of the coded identification, including the Human Subject name, amount received, and date, must be maintained on file by the Principal Investigator for a period of three (3) years following the submission of the final financial report, unless the terms of the award provide for a different period.
- This information is required to be available upon the request of internal auditors, Grants and Contracts auditors, and the Internal Revenue Service (IRS).

Total payments to any one Human Subject during the course of a study totaling \$600 or more in a calendar year must be processed through the Accounts Payable for payment to be issued in the form of a check. Information required for these payments include the Human Subject's name, address, and SSN. This information will be reported to the IRS, and Form 1099-MISC, Miscellaneous Income, will be sent to the payee at the end of the calendar year in which the payment(s) were made.

HUMAN SUBJECT PAYMENTS TAXATION

In order to fulfill the University's tax reporting responsibilities with the IRS, the University is required to obtain the Human Subject's SSN if he/she will be paid \$600 or more in a calendar year and report these payments on Form 1099-MISC, Miscellaneous Income. The University is not required to report payments that total less than \$600. Human Subjects are required to report all income received as a study participant on his/her individual income tax return, regardless of the dollar amount. Human Subjects should consult with his/her individual tax advisor regarding reporting requirements for these payments.

Payments made to Human Subjects who are also employees of the University are subject to the procedures detailed in this policy unless the relationship of an employer/employee exists within the study. In such rare cases, the payment is reported on Form W-2, Wage and Tax Statement.