



University of Massachusetts Lowell Research Participant Incentive Payment Advances and Reconciliation Process

OVERVIEW

The University often conducts research projects that involves human participants. Payments, if authorized by the Institutional Review Board as part of the protocol review process, 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. 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 research 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.

Research data should not be attached to any human subject incentive payment for participation in the research activity. Studies can be set up to keep the research data confidential but provide a 'voucher' or 'code number' to the participant at the end of the activity that can be used to present for cash, gift cards, or other payments for participation. This allows all research data to remain confidential and separate from any payments but also provide necessary financial records to document individual incentive payments. While records may be requested for audit purposes, it would not constitute a breach of data confidentiality as long as the research data are retained separate from who participated and incentive payment records.

PAYMENT OPTIONS FOR PARTICIPATION IN RESEARCH

Cash or Gift Card/Certificate Payments

Payments to research participants may be processed in the form of cash or gift cards/certificates **if the total payment to each research participant during the course of the study does not exceed \$600 for the calendar year**. If gift cards/certificates are used as the payment mechanism, they should all be distributed during the course of the study as a merchant may not honor them indefinitely or provide a refund for those that are not used.

To request cash or gift card/certificates for incentive payments, the researcher will need to submit an Advance Request for Human Participant Incentive Payments to their ORA Financial Administrator who verifies the funds available and then forward the request to Accounts Payable. Submit the request at least 10 business days prior to the date when the funds are needed. The account information for which payments will be charged must be provided on the form. The Advance Request for Research Incentive Payments form is available at <https://www.uml.edu/Research/OIC/human-subjects/forms.aspx>. The following information must be included:

- Name of the researcher and employee number, amount requested, speed type, etc.
- A brief description of the study.
- The IRB protocol number and approval date.

Payment will be issued in the form of a check and in the name of the faculty/staff member responsible for the program. The researcher is responsible to purchase gift cards/certificates or obtain cash for the payments.

Check-Issued Payments

For payments to be issued in the form of a check to specific research participants, a Vendor Payment Voucher Form and UMW-9 Form will need to be completed for each research participant and submitted to Accounts Payable when:

1. Total payments to a research participants 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 be completed and submitted to Accounts Payable and include the research participant's name, home address, the SSN (if >\$600) and the dollar amount of the payment. The Vendor Payment Voucher and UMB-9 forms are available at https://www.uml.edu/docs/w-9_tcm18-248418.pdf

RECONCILIATION OF PAYMENTS

The researcher conducting the study must maintain payment records including name of the participant(s), address (if available), signature of recipient (as necessary), amount paid to each individual, and date of incentive payment. This information is provided on the Advance Reconciliation for Research Incentive Payments form when the researcher settles the program advance with Accounts Payable. In no case should incentive payments be attached to research data to ensure confidentiality of human subject data. The form is available at <https://www.uml.edu/Research/OIC/human-subjects/forms.aspx>.

- If there is a concern about privacy, it is not necessary to identify the individual by name but an identifying code may instead be assigned to each participant being paid.
- A listing of the codes for each individual with the dollar amounts paid to each must be included in the Reconciliation Form and submitted to Accounts Payable for processing.
- The researcher or Principal Investigator must maintain all incentive payment records for a minimum of three years following a submission of the final financial report (federally sponsored research records must be maintained for five years after the final report). The information may include a cross-reference to the code or name as necessary, the amount paid, and date.
- This information is required to be available upon the request of internal auditors, Grants and Contracts auditors, and the Internal Revenue Service (IRS).

TAXATION OF PAYMENTS

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 and to meet IRS federal tax reporting requirements. For researchers to request incentive payments totaling \$600 or more to an individual, a UMW-9 form must be completed and include the Participant'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.

The University is not required to report payments that total less than \$600. Research participants are required to report all income received as a study participant on his/her individual income tax return, regardless of the dollar amount. Research participants should consult with his/her individual tax advisor regarding reporting requirements for these payments. Payments made to research participants 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.