

East Tennessee State University	
<p>Policy Title: Payments to Research Participants Issued: May 1, 2016 Responsible Official: Vice Provost for Research and Sponsored Programs Responsible Office: Office of Research and Sponsored Programs</p>	
Policy Statement	
<p>Research participants routinely receive IRB-approved payments in the form of cash, check, gift cards, and gift items. The level of compensation must be reasonable and appropriate based on the activity and cannot be perceived as unduly influencing study participation due to the level of remuneration.</p> <p>It is the policy of East Tennessee State University that Principal Investigators involved in human subject research follow uniform procedures in the management of payments to reimburse human subjects for participation in research. Uniform methods for documenting, tracking, and providing approval are needed in: identifying IRB approved human subject compensation; tracking individual subject payments; and, reconciling participant payment accounts. Failure to adequately manage these operations jeopardizes the financial and ethical integrity of human subject research at ETSU.</p>	
Purpose	
<p>The purpose of this Policy is to establish procedures for payments made by ETSU to individuals involved in research projects, surveys, or studies and to ensure compliance with federal income tax withholding requirements and proper reporting of payments to the Internal Revenue Service (IRS).</p> <p>The method of compensation set forth in this document is designed to achieve the following goals:</p> <ul style="list-style-type: none"> • Ensure the confidentiality of research participants. Personally identifiable information for receipt of payments for research participation should be gathered in a manner which prevents disclosure of personal information to other research participants. • Provide timely and convenient compensation to participants to facilitate the study. • Provide sufficient financial documentation for the University’s records and for IRS purposes. • Provide sufficient documentation that compensation was provided to research subjects for participation in a study. • Ensure that appropriate internal controls and adequate safeguards exist for items of value used to compensate, whether cash, checks, or other. 	
Definitions	
Custodian	A member of the research study staff who is responsible for safeguarding the cash or gift cards.

Human Subject	<p>A human subject is a living individual about whom an investigator (whether professional or student) conducting research obtains data through intervention or interaction with the individual, or identifiable private information.</p> <p>FDA defines <i>Human subject</i> as an individual who is or becomes a participant in research, either as a recipient of the test article or as a control. A subject may be either a healthy human or a patient.</p>
Private Information	Private information is described as information that is individually identifiable (i.e., the identity of the subject is or may readily be ascertained by the investigator or associated with the information).
Payee	The research participant who receives a payment for participating in human subject research.
Payment Methods	Check, direct deposit, cash, traditional gift card or electronic gift cards.
IRS Regulations	<p>The Internal Revenue Service (IRS) requires human subject payments aggregating \$600 or more paid to an individual during a calendar year be reported on Form 1099-MISC, Miscellaneous. In addition, for studies that anticipate an aggregate payment to a single individual of \$600 or more, the following information must be included in the informed consent document signed by the subject:</p> <p><i>"Personal information about me, including my name, address, and social security number, will be released to the University for the purpose of payment and for tax reporting to the Internal Revenue Service (IRS). I understand that ETSU will issue me an IRS Form 1099, listing my payment as reportable income."</i></p> <p>Further IRS regulations state cash and cash equivalent fringe benefits (for example, use of a gift card, charge card, or credit card), no matter how little, are never excludable from an employee's wages as a de minimis benefit and are reported on the employee's W-2.</p>
Procedures	
Payments by Check	<p>Payments of greater than \$100 must be made by check or direct deposit. A Check Request Form for check or direct deposit payments to research participants should be submitted to the Accounts Payable Office. For studies that anticipate payment via University check, the following information must be included in the informed consent: <i>"Personal information about me, including my name, address, and social security number, will be released to the</i></p>

	<i>University for the purpose of payment and for tax reporting to the Internal Revenue Service (IRS), if necessary."</i>
Payments by Direct Deposit	A Check Request Form for check or direct deposit payments to research participants should be submitted to the Accounts Payable Office.
Payments by Cash	<p>Payments to research participants using cash can be requested using a Request for Cash Payment to Research Participants Form through Financial Services. The following guidelines apply to cash payments.</p> <ul style="list-style-type: none"> • No cash payments may be made to ETSU employees or to nonresident aliens. • Cash cannot be used to purchase gift cards. Funds for gift cards can be obtained through Accounts Payable when applicable for research participants. • Cash must be assigned to a custodian. • Cash must be maintained under lock and key by the custodian of the funds. • Access to the cash for research studies must be controlled by the custodian of the funds. • Cash funds plus participant receipts must equal the cash fund authorized at all times. If the cash fund is determined to be over or short, the overage or shortage should be reported to Grant Accounting and the Bursar's Office immediately. • Cash must be used for research participant payment only and may not be used for departmental or other research expenses. • Cash for research participants is subject to audit at any time by the university, State Audit, or funding agency. • Cash for research participant are required to be closed out at the end of the research study and any excess cash must be returned to the Bursar's Office and Grant Accounting notified. • Cash payments must be hand delivered to participants. Cash payments cannot be mailed. • Each recipient of cash payments must sign a Cash Payment Acknowledgement of Receipt Form. The information requested on this form must be gathered in a manner that prevents disclosure of personal information to other study participants. This acknowledgement records the recipient name or participant ID number, date of distribution, signature of PI, purpose of payment, amount of cash received, and signature of study participant receiving the payment.

	<p>Note: Payments of greater than \$100 must be made by check or direct deposit.</p>
<p>Payments by Traditional Gift Cards</p>	<p>Payments using traditional gift cards are permitted as long as the following procedures are followed:</p> <ul style="list-style-type: none"> • No payment from gift cards may be made to a university employee or nonresident alien. • Cash may not be used to purchase gift cards. • Gift cards must be assigned to a custodian. • Gift cards must be maintained under lock and key by the custodian of the funds. • Access to the gift cards must be controlled by the custodian of the funds. • The balance of gift cards on hand, plus participant receipts, must equal the gift cards authorized and obtained. If a shortage of gift cards on hand is determined, the shortage must be reported to the Grant Accounting and Bursar’s Office immediately. • Gift cards must be used for research participant payment only and may not be used for departmental or other research expenses. • Gift cards for research participants are subject to audit at any time by the university, State Audit, or funding agency. • Gift cards for research participants are required to be closed out at the end of the research study and any excess cards must be turned in at the Bursar’s Office and Grant Account must be notified. • Traditional gift cards must be hand delivered to research participants, these funds cannot be sent to participants through mail. The Acknowledgement of Receipt Traditional Gift Card Form must be completed when disbursing Traditional Gift Cards. This acknowledgement records the recipient name or participant ID number, date of distribution, signature of PI, purpose of payment, serial number of gift card, amount of gift card, and signature or initials of study participant receiving the payment. • An alternative method of record keeping for anonymous surveys and confidential research participants receiving gift cards is for the PI to maintain a reconciliation of the number of cards given equaling the number of surveys or participants. This reconciliation must be approved by the supervisor of the person disbursing the cards.

	Note: Payments of greater than \$100 must be made by check or direct deposit.
Payments by Electronic Gift Cards	<p>Payments using electronic gift cards are permitted as long as the following procedures are followed:</p> <ul style="list-style-type: none"> • No payment from cash or gift cards may be made to a university employee or nonresident alien. • Cash may not be used to purchase gift cards. • The Principal Investigator (PI) is responsible for incurring the cost of the initial purchase of the electronic gift cards. Electronic gift cards are to be purchased after the participant has taken part in the study, not prior. • The PI should retain the following documentation when using electronic gift card payments and should submit this same documentation when requesting reimbursement through Accounts Payable: <ul style="list-style-type: none"> ◦ Email confirmation of each gift card purchased by the PI (with date of purchase and amount of each) ◦ Electronic confirmation/notice that the gift card has been sent to the participant’s email address ◦ Copy of the PI’s personal credit card statement or credit card receipts showing the purchase of the gift cards ◦ When appropriate, research study information including participant names (or study numbers when the study is anonymous/confidential), IRB protocol #, date of participation) ◦ The department must maintain a reconciliation of the number of cards given equaling the number of surveys or participants. This reconciliation must be approved by the supervisor of the person disbursing the cards. <p>Note: Payments of greater than \$100 must be made by check or direct deposit.</p>
Payments to ETSU employees	<i>Researchers anticipating payments to ETSU employees should contact the ETSU Payroll Office and ensure the employees receiving research participant compensation will have their earned income record reflect the cash or gift card payment and appropriate taxes withheld and remitted during the normal payroll process per IRS regulations.</i>
Payments to Nonresident Foreign Nationals	<i>Researchers anticipating payments to Nonresident Foreign Nationals should contact the ETSU Nonresident Alien Tax Compliance Office for guidance prior to making such payments.</i>

Roles and Responsibilities	
Principal Investigator/Project Director	The Principal Investigator (PI) is responsible for the justification of subject compensation in the research protocol that must be submitted, reviewed, and approved by the IRB prior to performing the research. The protocol must specify the amount of payment and the proposed method and timing of disbursement of all payments.
Bursar's Office	The Bursar's Office is responsible for all university cash funds, including funds established for the payment of cash to research participants. The Bursar's Office also retains custody of any excess gift cards returned at the completion of a research study and will work with Grant Accounting to allocate the unused cards to another human subject study with IRB approval for payments using gift cards.
Custodian	The Custodian (Principal Investigator or Delegate) disburses payments for participants, collects and manages all required documentation for the participant payment fund; reconciles accounts as required; responsible for fund shortages or overages; responsible for reporting shortages and overages of subject payment funds.
Grant Accounting	Grant Accounting is charged with the responsibility for oversight and approval of payments to research subjects from University administered funds.
Institutional Review Board	Institutional Review Board (IRB) is charged with reviewing and approving both the amounts and methods of payment to ensure that they are not coercive and do not present undue influence to participate or to continue participation.
Nonresident Alien Tax Compliance Office	Nonresident Alien Tax Compliance Office is responsible for review prior to any payment to nonresident foreign nationals to determine US tax status and tax treaty status for the anticipated payment.
Payroll Office	Payroll Office is responsible adding any cash or gift card payment to an ETSU employee to the employee's earned income record and remitting tax on the employee's behalf during the normal payroll process.
Related Forms	
Traditional Gift Card Acknowledgement of Receipt	

Request for Cash Payment to Research Participant Cash Payment Acknowledgement of Receipt			
Links			
ETSU FP-8. XIII: Payments to Research Participants			
Revision Dates			
10/20/2017			
Subject Areas			
Academic	Research	Finance	Human Resources
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