

Policy and Procedures for the Payment of Research Subjects

This policy details the process for the payment of compensation to human subjects participating in research projects at the University of Nevada, Las Vegas (UNLV). University faculty and staff have the legal obligation to both maintain confidentiality of individuals who take part in University research studies and satisfy the demands of financial accountability. Therefore, this payment process has been designed to maintain research subject confidentiality to the extent possible under the law, while meeting Internal Revenue Service (IRS) reporting requirements and conforming to the University's standard accounting and payment practices.

This policy and associated procedures are administered by the **UNLV Office of Research Compliance (ORC), FDH 517, Mail Stop 1087, Phone: 702-895-5948, Fax: 702-895-5464.** **Consultation with ORC when anticipating any form of incentive or compensation for research participants is highly recommended.** For questions and/or assistance please contact either of the following persons.

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Process Goals

The method of compensation set forth in this document is designed to achieve the following goals:

- Ensure the confidentiality of research participants.
- Provide timely, convenient compensation to participants to facilitate, not hinder, 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.

Organizational Responsibilities

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 amount of payment and the proposed

method and timing of disbursement of all payments. Principal Investigators are defined in the UNLV Principal Investigator Eligibility Policy:

<http://research.unlv.edu/about/principalinvestigator.pdf>.

The PI is also responsible for the accountability of funds received and disbursed to research participants.

UNLV's Institutional Review Board (IRB) is charged with the responsibility to review and approve 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.

The UNLV Office of Research Compliance (ORC) is charged with the responsibility for oversight and approval of payments to research subjects from University administered funds. ORC works closely with the UNLV Office of the Controller and Accounts Payable to ensure that all financial records and reporting meet the highest standards of financial accountability. ORC also consults with the UNLV Office of Sponsored Programs (OSP) concerning any issues that arise regarding allowability of costs on grants and contracts.

Limitations, Restrictions, and Special Considerations

1. IRS Regulations

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 Income. Aggregate payments to subjects in IRB approved studies must be carefully tracked to ensure due diligence regarding this requirement. 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:

"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 UNLV will issue me an IRS Form 1099, listing my payment as reportable income."

2. Limit on Single Cash Payments to Individuals

For single payments of cash to research subjects, the amount paid depends upon many factors. Since it is not appropriate to offer payment that is so high that it would encourage an individual to ignore or disregard the research risks, the IRB will not approve any compensation perceived as doing so. Although cash incentives are usually nominal, the nature of a study may justify higher amounts, especially if participation involves significant time or expense to the subject. Unless specifically approved by the IRB, single cash payments to individuals may not exceed \$50.

3. Payments using a UNLV Procurement Card

Using a UNLV Procurement Card to purchase goods or gift cards as compensation for research subjects is **not** allowed.

4. Payments via University Check

Issuing a University check to a research subject presents confidentiality issues. For studies that anticipate payment to subjects via University check, the following information must be included in the informed consent: "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), if necessary."

5. Payments to Nevada System of Higher Education (NSHE) Employees

Any payments to subjects who are NSHE employees (including student workers) must be reported to the IRS as W-2 wages, regardless of the amount paid. These payments are subject to income tax and other withholdings as applicable, and the disclosure of personal information associated with these transactions present confidentiality issues. **Researchers anticipating payments to NSHE employees should contact the Office of Research Compliance for guidance prior to making such payments.**

6. Payments to Non-Resident Foreign Nationals

There are various tax and NSHE policy issues that must be addressed regarding payments to known non-resident foreign nationals (including foreign students). Payments made to Human Subjects who are nonresident aliens must be paid by check and are reported on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, regardless of the dollar amount. All payments to nonresident aliens are subject to 30% federal income tax. **Researchers anticipating payments to Non-Resident Foreign Nationals should contact the Office of Research Compliance for guidance prior to making such payments.**

7. Anticipated Changes to the IRB Approved Payment Schedule

For any changes in participant compensation or flexibility of the payment schedule, a modification to the existing protocol must be submitted to and approved by the appropriate IRB prior to implementation. Copies of the approved modification must be forwarded by the PI to the Office of Research Compliance.

8. Using Non-Cash Items as Subject Compensation

There are basically two types of non-cash items that may, if approved by the IRB, be used as incentives or compensation for research participants.

a. Tangible Items of Small Value

If allowable under the terms of the grant or other source of funds, tangible items and objects of small value such as t-shirts, pens, key chains, and other souvenir items may be purchased and distributed to research participants. Although these items may be considered expendable, care should be taken not to over-purchase them. Principal Investigators are responsible for the safekeeping and appropriate documentation of the distribution of these items to subjects. **Researchers anticipating the use of such items for subject payment should contact the Office of Research Compliance for guidance prior to purchasing such items.**

b. Gift Cards & Gift Certificates

Using negotiable items, such as gift cards or gift certificates, requires very strict accountability. The IRS considers gift cards/certificates to be cash equivalents, thus the same tax issues apply to these as with more traditional payment methods. Therefore, these negotiable items must be treated like cash, and PIs are accountable for their safekeeping and appropriate documentation of their distribution to subjects.

Researchers will not be reimbursed for undistributed gift cards/certificates, so it is extremely important for researchers to avoid over-purchasing these items. **The same control procedures described below for cash must be used for these negotiable items.**

Procedures for Receiving Cash for Direct Payment to Research Subjects

1. Coordination with the Office of Research Compliance (ORC)

- a. ORC will approve cash allocations for subject payments only for projects that satisfy the following criteria:
 - The appropriate IRB must have approved the research and the plan for payment of research subjects.
 - Sufficient funds must be budgeted in a University account, and in the case of sponsored projects, subject costs must be allowable under the terms of the grant or contract.
 - All of the administrative procedures set forth below have been followed.
- b. Many problems can occur with regard to subject payments that can seriously threaten or hinder research efforts. To avoid these problems and expedite the payment process, **Principal Investigators are strongly advised to meet with ORC after approval of the study protocol by the IRB.** All procedures, administrative requirements, and questions will be addressed at that time. It is also desirable for any involved project staff or departmental administrators to attend the meeting.

2. Cash Requests

The following procedure outlines the requirements for obtaining cash for disbursement of payments directly to research subjects, for the documentation of such payments, and for appropriate reconciliation of financial records. **ORC staff will be pleased to provide a more detailed explanation of the process and further instructions regarding the associated documentation.**

a. Procedure for obtaining cash.

- 1) After protocol approval by the IRB and coordination with ORC, a UNLV Payment Voucher (PV) must be prepared (see model PV on human subject's payment website) for the total amount required, payable to the Principal Investigator, and the following documentation must be attached:
 - A copy of the **IRB approval letter.**

- A “**SCHEDULE OF PLANNED SUBJECT PAYMENTS**” must be prepared and attached or included on the PV. The estimated schedule must be consistent with the payment provisions approved by the IRB and include the anticipated dates, numbers of subjects, and amounts to be paid. The schedule is for planning purposes only. It need not be elaborate and may be prepared in any format.
- 2) The PV must be signed by someone authorized to sign on the account. If the PI is picking up the check a Chair or Dean must also sign the PV.
 - 3) Submit the complete PV package to the Office of Research Compliance (ORC) for review and approval a minimum of 7 working days prior to the date the funds are required.
 - 4) ORC will submit the PV package to UNLV Accounts Payable for payment within 2 working days after receipt.
 - 5) Within 5 working days after receipt of the PV package from ORC, Accounts Payable will issue a check and inform ORC that it is ready to pick up.
 - 6) Upon notification by Accounts Payable, ORC will contact the PI. A Research Subject Payment Affidavit will be attached. The AFFIDAVIT must be completed and signed by the person that person picks up the check from Accounts Payable.

b. Procedure for safeguarding and documenting cash payments to subjects

- 1) **Checks received for subject payment may not be deposited into private bank accounts.**

They must be cashed and the funds safeguarded in an appropriate manner.

- 2) **The process used for payment must protect the confidentiality of the subjects.**

In the payment documentation required by the University the subjects must be identified only by code. Only the PI and designated staff should be able to link the codes to the individual subjects. Please note that for studies in which there will be multiple payments to a single subject, the code used for the subject must be identical for all payments to enable tracking of payments for IRS purposes.

- 3) **During the conduct of the research, the preferred practice is to use a receipt book to record the date, amount of payment, and signature of the recipient.**

The name of the researcher making the payment also must be indicated on the receipt. The subject code should be on the receipt and it will be the only direct link to the subject other than the subject’s signature. This code will be used as the subject identifier on “RESEARCH SUBJECT PAYMENT RECORD (RSPR)” that is returned to ORC for reconciliation of the PV. **The receipt books are formal financial records and are subject to audit. They must be retained by the PI for the period required under the rules applicable to the source of funds used for payment.**

c. Reconciliation of the Payment Voucher

- 1) **Once the subject payments have been made or prior to the draw-down of additional funds to continue the study, the PV must be reconciled.**

If the study has ended and all of the allocated funds have not been paid to subjects, the balance must be returned for re-deposit into the account. If the study is to continue and additional funding is needed, the existing PV must be reconciled prior to the release of the additional funds. The PI can ensure a seamless process by preparing in advance a new PV package for the additional funding. Concurrent with the reconciliation of the original PV, ORC will release the new PV for additional funding to Accounts Payable.

- 2) **The “RESEARCH SUBJECT PAYMENT RECORD (RSPR)” is the document used to reconcile the PV.**

If filled out by hand, the entries must be clearly legible. The RSPR is also available as an Excel file from ORC or may be downloaded from the ORC or OPRS web pages. The spreadsheet includes both letter and landscape versions of the form. Electronic versions are preferred, but the form may be filled out by hand if the data entries are legible. The RSPR must include the following data:

- Project Title
- Principal Investigator
- IRB Protocol Number
- PV Number
- Total Amount of PV
- All payments - listing for each the subject code, date paid, amount paid, and name of the researcher making the payment.

- 3) The RSPR must be submitted to ORC as soon as possible after all subject payments have been made. **If all of the allocated funds have not been paid to subjects, as documented in the RSPR, the balance must be returned to ORC for re-deposit into the account.**

ATTACHMENTS:

- **Sample Payment Voucher for Cash Payment**
- **RESEARCH SUBJECT PAYMENT AFFIDAVIT**
- **RESEARCH SUBJECT PAYMENT RECORD (RSPR)**