NORTHWESTERN UNIVERSITY

Responsible University Official:
Vice President for Financial Operations and Treasurer
Responsible Office: Office of Financial Operations
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HUMAN SUBJECT PAYMENTS

Policy Statement

This policy outlines the requirements for Northwestern University to comply with requirements of the Human Subject Protection Program (HSPP), University Human Resource policies and practices, the Internal Revenue Service (IRS), and University purchasing and payment policies related to human subject payments.

Reason for Policy/Purpose

The purpose of this policy is to provide guidance regarding payments to human subjects, including payment amounts, tax reporting requirements, and procedures for disbursement.

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Who Approved This Policy

Provost
Executive Vice President

Who Needs to Know This Policy

All members of the Northwestern University community

Website Address for This Policy

http://www.northwestern.edu/financial-operations/policies-procedures/policies/HumanSubjectPayments.pdf

Contacts

If you have any questions on the Human Subject Payments Policy, you may contact:

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Definitions

Human Subject	Human subjects are defined as: living individual(s) about whom an investigator conducting research obtains: (1) data through intervention or interaction with the individual; or (2) identifiable private information.
Human Subject Payment	Payments made to individuals for their participation in research projects or reimbursements for expenses.
Institutional Review Board (IRB)	A diverse Committee(s), appointed by the Associate Vice President for Research, and meeting the membership requirements of federal regulation and the Northwestern University Human Subject Protection Program Policy Manual, which is established and maintained to provide ethical oversight of human subject research conducted by NU faculty, staff, and students.
Protocol	The formal design or plan of an experiment or research activity; specifically submitted to an IRB for review and to an agency for research support.

Policy/Procedures

Human subject payments must comply with requirements of the Human Subject Protection Program (HSPP), University Human Resource policies and practices, Internal Revenue Service (IRS), and University purchasing and payment policies.

Human Subject Protection Program Guidelines

Payment for participation in research may not be offered to the subject as a means of undue influence, where it might cause someone to assume risks they would not otherwise assume. Rather, it should be a form of recognition for the investment of the subject's time, loss of wages, or other inconvenience incurred.

- Payment arrangements must be approved in advance by the IRB. Principal Investigators must document the payment arrangements as part of their research protocol.
- Protocols must be approved by the IRB prior to any subject payments.
- Payments should be based on the research subject's time allotted to and reasonable expenses incurred during his/her participation in the research study.
- Payment may include reimbursements for parking, lodging or transportation.

For this reason, payments should not usually be withheld contingent on the subject's completion of the study. In most cases involving continued participation, payments should be given on a reasonable prorated basis to avoid the impression that the investigator is coercing the subject to continue in a study or is punishing the subject for choosing to withdraw. The complete schedule of the payment plan should be clearly documented within the new study application and the informed consent document reviewed by the subject.

Additional guidance can be found at the IRB Human Research Policies, Guidance and Oversight webpage. Assuming they meet the qualification for the study, faculty and staff members may participate as human subjects in research to the extent that their participation does not interfere or conflict with work responsibilities.

Taxability

Payments to human subjects can constitute taxable income to both U.S. residents and non-residents. The study participant's U.S. residency status and relationship to the University will determine the method of payment and other documentation needed for payments to be processed. U.S. residents' taxable payments totaling $600 or more in a calendar year are reportable to the IRS on a Form 1099-MISC.

Purchasing and Payment Policies and Procedures

Payment Methods

The Human Subject Participant – Payment Method Requirements (flowchart) should be consulted for details on the recommended payment methods. Under no circumstances should investigators' personal funds be used to pay human subjects.

For payments of $100 and less (in aggregate - per person per calendar year) disbursements should be made via

- Petty cash

- Non-travel advances
- Stored Value (Visa) Card
- Gift card (not preferred payment method)

For payments greater than $100 (in aggregate – per person per calendar year) disbursements should be made via

- Checks through Northwestern's Accounts Payable procedures
    - The human subject is required to provide personal identifiable information in order to be added to the vendor table. In order to maintain a level of confidentiality, the research study's title is not linked to the payment.
    - Information on adding a vendor can be found in the Add Vendor section of the Financial Operations website.
    - W9 Request for Taxpayer Identification Number and Certification must be completed and signed by U.S. residents.
    - Consult with Accounting Services for special circumstances.

- Payroll for employees and non-residents
    - An Additional/Special Pay Request Form must be completed for employees.
    - The Payment Packet for Non-Resident Independent Contractors must be completed for non-residents.
    - Both forms require that the human subject provide personal identifiable information. In order to maintain a level of confidentiality, the research study's title is not linked to the payment.
    - Consult with Payroll for special circumstances.

Details on processing procedures can be found at the Purchasing and Payments Methods Quick Reference website.

Information for All Payment Methods

Account Codes

- Research Subject Fees account code 78660 should be used for human subject payments.
- Sundry Payments account code 78666 should be used for human subject travel related expenses.

Travel Related Expenses

Payments or reimbursements for parking, lodging or transportation are not taxable. The human subject should be reimbursed for reasonable and appropriate expenses. Although it is preferable that receipts are submitted to substantiate expenses, they are required for any transactions exceeding $40, except for some categories of transportation.

- Receipts are not required for mileage, public transportation, or taxi cab reimbursements. This exception is limited to research subject travel; however, the following documentation is required:
    - Mileage – map including the total miles and mileage rate applied.
    - Discount parking coupons – a log should be maintained noting who (study identifier, etc.) received the coupons and the date distributed.
    - Public transportation or taxi cab – a log should be maintained noting who was reimbursed, the date, amount, and mode of transportation.

- For travel incidentals of $100 or less, the human subject can be reimbursed via petty cash or a non-travel advance. A Visitor Travel and Expense Report must be completed for check payments of travel incidentals of $100 or less.
- A Visitor Travel and Expense Report must be completed for travel incidentals exceeding $100.
- The initial purchase of parking stickers or bus/train fare should be charged to a non-sponsored chart string. Once the items have been distributed to the study participants, the actual expense can be allocated to the appropriate sponsored chart string via a correction journal. Individuals must apply for an exception to provide cash payments that exceed $100.

Documentation for Distribution of Payments

Regardless of the payment amount or method, the distribution of the human subject payments should be documented for each research study.

- The documentation can be in the form of a log or a copy of an individual receipt (the original of which is given to the human subject). This documentation should include all of the following:
    - The human subject identifier (i.e., name, IRB number)
    - Amount disbursed
    - Date of the disbursement
    - Acknowledgment of participation and/or receipt of funds (i.e. signature of the participant)
    - Acknowledgment of distribution (i.e.. signature from the responsible administrator or principal investigator)
    - The participant's relationship to the University (e.g. employee).
- For cash payments of $100 or less, including gift cards purchased with petty cash funds, the Research Participant Cash Payment Form or a variation must be used to document the distribution of the funds and the participant's acknowledgement of the annual $100 limit.
- Limited exceptions to the documentation requirements may apply for studies of a sensitive nature. Please consult with Accounting Services for Research and Sponsored Projects (ASRSP).
- Personal identifiable information should not be submitted to Accounts Payable in order to substantiate human subject payments.
    - This includes documentation that contains personal health information, Social Security numbers, the name of the study (if the study is of a sensitive nature), or copies of the consent forms.
- Copies of the documentation must be retained for audit purposes. The Retention of University Records should be consulted for details.

The principal investigator or responsible administrator must be able to account for the total dollar amount distributed for human subject payments, validate that the payments were distributed to an actual study participant and that the payments were processed in accordance with University policies.

Cash Payments - $100 or less (annual limit)

Please consult the Human Subject – Payment Method Requirements (flowchart) for the recommended payment method for payment amounts of $100 or less (in aggregate per person per calendar year).

- The Research Participant Cash Payment Form or a variation must be used to document the distribution of the funds and the participants' acknowledgement of the annual $100 limit.
- Petty cash funds may be used.

Cash Payments – exceeding $100

Principal Investigators or research personnel must apply for an exception to provide cash payments that exceed $100. Exceptions may be granted by Accounting Services or ASRSP only if payments to participants will not recur—that is they are expected to be one time only during the calendar year. Process for an exception

- The requestor must submit an exception request via email addressing the following:
  - The reason for the exception and the rationale for the payment exceeding $100
  - The number of participants in the study who will receive payments in excess of $100
  - The dates of the study
- Exceptions for payments to be made from sponsored chart strings should be sent via e-mail to Accounting Services for Research and Sponsored Programs.
- Exceptions for payments to be made from non-sponsored chart strings should be sent via e-mail to Senior Advisor Financial Operations.

If approved, a copy of such approval from ASRSP or Accounting Services must be included with the payment and petty cash reimbursement or non-travel advance documentation.

Gift and Stored Value (Visa) Cards Processing Information

General Guidelines

Gift cards are not a preferred payment method (because they cannot be returned). The Stored Value (Visa) Cards (stored value card) are the recommended alternative to gift cards. If a gift or stored value card is used as the payment:

- Do not use personal funds to purchase the cards.
- Only use the cards as a payment for participants who will not exceed the annual $100 limit.
- The same documentation and safeguarding procedures that apply to cash payments apply to gift cards and stored value cards.

Purchasing Gift Cards or Stored Value Cards

The number of gift cards or stored value cards should equal the number of subjects to be paid for the study.

- Gift cards may be purchased using a requisition, petty cash fund, or procurement card.
- Stored Value (Visa) Cards may be purchased using the Research Payment Card Request Form.
- The Research Participant Cash Payment Form or a variation must be used to document the distribution of the cards.

Sponsored Project Considerations

The initial purchase of cards should be charged to a non-sponsored chart string, unless an exception has been obtained from ASRSP.

- Once the cards have been distributed to the study participants, the actual expense can be allocated to the appropriate sponsored chart string via a correction journal.
- A correction journal is initiated via the NU Portal. Processing training for correction journals can be found at
- The supporting documentation for the correction journal should follow the guidelines in the Documentation for Distribution of Payments section. The supporting documentation must be sent to ASRSP via email or campus mail as it currently cannot be attached via the NU Portal.

Accounting Services must be contacted if there are gift cards remaining once a study is complete. Treasury Operations must be contacted if there are stored value cards remaining once a study is complete. Gift cards need to be used for a business purpose and this use must be documented.

Forms/Instructions

Additional/Special Pay Request Form

Human Subject– Payment Method Requirements (flowchart)

Human Subject Protection Program Manual

Payment Packet for Non-Resident Independent Contractors

Purchasing and Payments Methods Quick Reference

Research Participant Cash Payment Form

Research Participant Cash Payment Form (Spanish Version)

Research Payment Card Request Form

Visitor Travel and Expense Report

W9 Request for Taxpayer Identification Number and Certification

Appendices

N/A

Related Information

N/A

History/Revision Dates

Origination Date: September 15, 2013
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