



Policy Number:	2.023
Originating Office:	Financial Affairs
Responsible Executive:	Vice President of Financial Affairs
Date Issued:	10/13/2011
Date Last Revised:	07/03/2019

Incentive Payments to Research Participants

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I. REASON FOR THIS POLICY

The reason for this policy is to provide guidance for the distribution of research incentive payments to ensure the payments follow University guidelines, that sufficient documentation is provided and to comply with IRS and other legal regulations.

II. STATEMENT OF POLICY

Research participants/human subject payments must have an approved Institutional Review Board (IRB) protocol prior to the disbursement of any funds to either the department or the participant.

2. Payments to subjects must have a clear University business purpose and will be recorded as a form of compensation. Payment may be any type of remuneration, including, but not limited to; checks, cash, gift cards, Amazon Mechanical Turks (AMT) or any other items of value.
3. Payments to participants of \$100 or more per payment will be made only by check.
4. Gift cards may not be purchased with a University procurement card.
5. Total payments to any one subject during the course of a study totaling \$600 or more in a

calendar year must be made via direct payment, issued in the form of a check or ACH. The PI is responsible for having the participant complete an IRS form W-9 and submitting it to the department's financial contact for processing. This information will be reported to the IRS and Form 1099-MISC will be sent to the payee at the end of the calendar year in which payment was made. A research participant who is also a University employee shall have any incentive payment reported to the IRS as wages, regardless of the amount of the incentive. Such incentive payments are subject to income tax and other withholdings.

6. Cash, gift cards or other incentives may not be kept on hand in excess of the amount expected to be distributed within a 30 day time period. All payment incentives retained by the department must be maintained in a locked drawer, cabinet or safe under the control of the department's petty cash custodian.

7. No new disbursements for incentive payments will be permitted unless the request is accompanied by a completed Research Participant Incentive Payment Log that indicates how the previous amount was disbursed.

III. DEFINITIONS

Human Subject/Participant - A volunteer participant in a research study. Under federal regulations, human subjects are defined as a living individual about whom an investigator conducting research obtains data through intervention or interaction with the individual or from individually identifiable information.

Incentive Payment – A low value payment or item given to individuals to encourage them to participate in research. In order to be an incentive, the value of a payment or item must be minimal and should be provided to all participants in the research project, regardless of whether they complete the activity or study. Incentive payments may be in the form of small dollar items, cash, checks, gift cards, Amazon Mechanical Turks or any other item of value.

Institutional Review Board (IRB)- An independent, administrative body established to protect the rights and welfare of human research subjects.

Principal Investigator (PI) – For the purposes of this policy, the person in charge of conducting an approved research study with human subjects as participants.

IV. PROCEDURES

1. A direct pay document is created in Banner, using First Bank & Trust as the vendor for cash, or other authorized vendor for gift cards. The request should include details on the preferred denomination of the funds. If cash is desired, the Accounting department will withdraw the requested cash from the bank and contact the department when the cash is ready to be picked

up.

- a. Required documentation for the direct pay request includes the IRB approval letter and budget details such as the number of intended participants, the amount to be paid to each participant and the anticipated time frame.
 - b. The maximum amount of cash that a department can hold at any time is \$5,000 or the amount needed for a 30 day time period, whichever is lesser.
2. For payments of \$100 or more to any participant, a W-9 must be collected, and a direct pay document is created in Banner so that a check can be issued to the individual.
 3. When a payment is given to a participant, the payment must be logged on the Research Participant Incentive Payment Log sheet, and the participant must acknowledge payment by initialing the sheet, or through other means that would confirm that the participant received an incentive (e.g. Amazon M-Turk confirmation).
 4. The payment log sheet and all accompanying documentation (e.g. MTurk screen shot, email confirmation) must be provided the Accounting department within 30 days of the last disbursement, or prior to obtaining additional incentive payment funds/cards, whichever comes first. All incentive payments must be logged or otherwise accounted for, and the supporting documentation attached to the original payment request.
 5. Unused cash must be returned to Accounting within 15 days of the study completion or the sponsored award end date for reimbursement to the original funding source.
 6. Every effort should be made to distribute all pre-purchased gift cards or other incentives. In the event that residual gift cards or incentives remain after the conclusion of the study, the value of the cards must be reimbursed to USD's Accounting Office by the PI. Failure to reimburse the value will result in a deduction from the PI's payroll.

V. RELATED DOCUMENTS, FORMS AND TOOLS

Not applicable.