Core Process # and Title: To accompany Policy 101.18  Human Subject Payments

Objective / Summary:
- This procedure applies to payments made to compensate human subjects, e.g., individuals participating in research studies or completing surveys, and describes what compensation methods are allowable for these purposes. This procedure also discusses tax reporting implications of these payments.
- Note that an employee is treated the same as a non-employee when participating as a research subject as long as the service provided is outside the scope of his/her normal job responsibilities at the University.

Frequency/Timeline/Due Date: As needed

Responsible Department: Tax Office

Title of Process Owner: Tax Manager

Prepared By (include title): Controller's Office

Reviewed By (include title):

Original Date: March 2013

Revision Date(s): April 2015

Related Policies / Requirements:
- University Policy 602.3, Petty Cash Fund and Change Fund Policy
- University Policy 101.18, Gifts, Awards and Prizes
- University Policy 306, Research Utilizing Human Subjects

### Process Steps

<table>
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<tr>
<th>Step #</th>
<th>What to Do</th>
<th>Who (Position Title)</th>
<th>How to Do It</th>
<th>Data Sources (Forms/Links)</th>
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</table>
| 1      | Confirm individual is eligible for payment | Principal Investigator / Departmental Business Officer | - Confirm that the individual receiving payment is a valid human subject at the time of their participation and that payments are in conjunction with a valid research project.  
- If the human subject is also an employee, confirm that the service to be provided as a human subject is outside the scope of his/her normal job responsibilities at the University. (If this is not the case, the payment should be processed via payroll.) | University Policy 306, Research Utilizing Human Subjects |
| 2      | Select compensation method | Principal Investigator / Departmental Business Officer | Determine which payment method is most appropriate to compensate the individual:  
- Petty cash  
  - Used for payments up to $25  
  - Refer to step 3 |
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| 3     | Pay a human subject using petty cash | Principal Investigator / Departmental Business Officer | • Petty cash payment cannot exceed $25 per individual, per survey  
• Coordinate with the appropriate Petty Cash Custodian to make the payment. All petty cash payments must be recorded and signed for on the Gifts, Awards, and Prizes Log Sheet (Appendix C of Policy 101.18).  
• If the department does not have a petty cash fund, one may be approved and established by the Petty Cash/Change Fund Officer for the duration of the study.  
• Refer to Petty Cash procedures for additional details (see link at right). | Petty Cash and Change Fund Procedures  
UP101.18, Appendix C |
| 4     | Pay a human subject using check/direct deposit | Principal Investigator / Departmental Business Officer  
Travel/Complex Payments  
Accounts Payable | • The Principal Investigator or departmental Business Officer should request the check/direct deposit payment by completing a Direct Pay Request (DPR) form and submitting it to the Travel & Complex Payment office (see link to form at right).  
• Travel/Complex Payments will process the DPR form, and Accounts Payable will disburse the payment. | Direct Pay Request (DPR) form |
| 5     | Pay a human subject with a form of non-cash compensation | Principal Investigator / Departmental | • When purchasing items to distribute to subject participants, the vendors from which items were purchased should be paid using a Purchasing card or through 49er Mart. This | Gifts, Awards and Prizes Policy |
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<td>Business Officer</td>
<td>includes the purchase of gift certificates and gift cards. • To determine when gift certificates and gift cards are deemed to be cash or non-cash, please refer to Policy 101.18 (link provided at right).</td>
<td></td>
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<tr>
<td>6</td>
<td>Select appropriate expense account code when requesting the payment</td>
<td>PI / Departmental Business Officer</td>
<td>• Use expense account code 921160, “Subject Incentive Fee” for this payment.</td>
<td>Expense Account Codes</td>
</tr>
<tr>
<td>7</td>
<td>Determine if subject payments to individuals during a calendar year are required to be reported to the Tax Office</td>
<td>Principal Investigator / Departmental Business Officer / Tax Office</td>
<td>• Each college/department is responsible for tracking the total amount of human subject payments that each payee has received during a calendar year (we recommend using the Gifts, Awards, and Prizes Log Sheet, Appendix C of Policy 101.18). • If combined payments to an individual total $600 or greater in a calendar year, the college/department must notify the Tax Office so that appropriate IRS reporting can be completed (use the Reportable Gifts, Awards, and Prizes Documentation Form, Appendix B of Policy 101.18). • For individuals meeting the $600 threshold in a calendar year, the Tax Office will prepare the appropriate IRS form and distribute to the individual.</td>
<td>UP101.18, Appendix C, UP101.18, Appendix B</td>
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## Glossary

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<tr>
<th>Acronym/Term</th>
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<tr>
<td>Human Subject</td>
<td>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. This person may or may not have an affiliation with the University.</td>
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<tr>
<td>Subject Payments</td>
<td>Cash and non-cash payments to individuals (subjects) for their participation and time commitment in a clinical trial or social science survey, etc.</td>
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