

# The College of William and Mary

## Financial Procedures

<b>PROCEDURE NUMBER:</b> TX-101.1	<b>ISSUED:</b> March 16, 2012
<b>OWNER:</b> Financial Operations – Tax Department	<b>LATEST REVISION:</b> N/A

### PROCEDURE TITLE: **Paying Human Subjects**

#### RELATED POLICY: **Paying Human Subjects for Research Studies**

#### 1. PRIOR TO MAKING PAYMENTS

According to the Code of Federal Regulations Title 45, Part 46, The U.S. Department of Health and Human Services has mandated that research which involves human subjects must be approved by an Institutional Review Board (IRB) to ensure the safety and the appropriate use of humans as subjects in research studies, irrespective of the funding source. ALL protocols involving human subjects must be submitted to the Protection of Human Subjects Committee (PHSC), which is the designated IRB at the College, for exemption or approval. *(NOTE: See “A Guidebook of Policies and Procedures for Research Involving Human Subjects” for further information)*

Therefore, before issuing any payments, confirm that the individual who will receive payment is a human subject rather than a participant and that IRB approval is current at the time of payment.

- To confirm that the individual is a human subject, check the project documentation as submitted to the PHSC.
- To confirm IRB approval, contact the Compliance Department of the Office of Sponsored Programs, if it is not indicated on the appropriate log/voucher.
  - If all approvals are in place, process the payment. DO NOT write information regarding IRB approval status on the payment form. This information is confidential.
  - If no, inquire ask how to proceed.

#### 2. MAKING PAYMENT – OPTIONS AVAILABLE

Human subjects should be informed that information being collected allows the College to meet government reporting obligations and precautions are in place to keep their information secure. They may be given the opportunity to participate without receiving an incentive payment if they do not wish to provide identifying information, if required.

An HSPL, HSPV1 or HSPV2 is **REQUIRED** to document payment, regardless of the payment type or the amount. These documents are considered confidential and will be properly maintained as such within the Financial Operations Department. Any departments involved in processing payments to human subjects and retaining documentation are encouraged to emphasize to their staff the importance of maintaining confidentiality. Costs should be expensed to account code 714180.

*NOTE: Payments may also be known as participant incentives or respondent fees.*

- Human Subject Payment Log (HSPL) \$50 or less (TX-101.1a)  
This form captures ONLY the following information:
  - Value of incentive given,
  - Recipient’s name (printed & signature) & date
  - Disburser’s name (printed & signature)

- Human Subject Payment Voucher 1 (HSPV1) \$51 to \$100 (TX-101.1b)  
This form captures the following information:
  - Certified statement of incentive payment receipt
  - Value and type of incentive given
  - Recipient's name (printed & signature) & date
- Human Subject Payment Voucher 2 (HSPV2) \$101 or greater (TX-101.1c)  
*NOTE: This form may be used ONLY in conjunction with a Vendor Payment Request Form (VPRF)*  
This form captures the following information:
  - Certified statement of incentive payment receipt
  - Value and type of incentive given
  - Social Security Number (SSN) or Employer Identification number (EIN)
  - Tax Status (US Citizen, Resident Alien, or Non-Resident Alien)
  - Address
  - Recipient's Name (printed & signature) & date

## 2.1 Payments by Cash

**NOTE: CASH IN EXCESS OF \$100.00 (per participant) CANNOT BE GIVEN**

- Direct payments to human subjects by cash MUST be made using a project advance, which can be requested using the *Project Advance Request Form (PARF) (TX-101.2a)*. Use of personal funds is NOT allowed and WILL NOT be reimbursed. Departments should refer to the College's procedures for Project Advance for Human Payments.
- Human subjects must sign an HSPL or HSPV1 at the time they actually receive their cash payment. Departments will document use of their project advance by completing the *Project Advance Closing Form (PACF) (TX-101.2b)* previously used to request the advance and attaching the appropriate HSPL or HSPV1(s).
- If payments will be made to human subjects above \$100.00 per instance, then a signed HSPV2(s) and a *Vendor Payment Request Form (VPRF)* is REQUIRED rather than using cash or gift cards/certificates to ensure proper tax reporting and withholding. (See *Payments by Check* section Below)

## 2.2 Payments by Gift Card/Certificate or Other Tangible Item

**NOTE: CASH EQUIVILANTS IN EXCESS OF \$100.00 (per participant) CANNOT BE GIVEN**

- Direct payments to human subjects may be made by gift cards/certificates or other tangible property. Tangible property may be purchased using the Small Purchase Charge Card (SPCC); gift cards may not be purchased with SPCC. All purchases must comply with purchasing card policies documented by the Procurement Office. The department must complete an HSPL or HSPV1 for each gift card/certificate or other tangible property given. A copy of HSPL(s) or HSPV1(s), along with a copy of the vendor receipt, should be forwarded to the Accounts Payable Department for IRS reporting purposes. The original HSPL(s) or HSPV(s) and original vendor receipt should be kept with the SPCC transaction records in the department.
- If your SPCC limits your ability to procure items due to transaction limits, a vendor's non-acceptance of the card, or for any other reason, contact the Accounts Payable Office or Procurement Office for assistance.
- As stated previously, if the amount is greater than \$100.00 (per participant), you are REQUIRED to pay using a VPRF to ensure proper tax reporting and withholding.

### **2.3 Payments by Check**

- Direct payments to human subjects by check will be made using the *Vendor Payment Request Form (VPRF)*. An HSPV2(s) must be completed prior to payment processing and attached as documentation to the VPRF.
- To maintain confidentiality, departments should include the following statement in the Description section of the VPRF: “*Details are on file in department and available for audit*”. Any attachments identifying the human subject with the name of a specific research study SHOULD NOT accompany the payment document.
- When submitting a VPRF, it is crucial to properly identify non-resident aliens by checking the appropriate box so that proper taxes can be withheld. If a payee is misidentified and the proper amount is not withheld, your research project will be assessed for the adjustment for withholding.

### **3. MAINTAINING CONFIDENTIALITY AND PAYMENT RECORDS**

It is required that the confidentiality of the research study and the human subjects be maintained. Any information identifying the human subject(s) to the name of the study MUST be excluded from the payment documents and any attachments. Therefore, when completing the appropriate form requesting reimbursement or payment, include ONLY the information requested on the form. However, departments MUST maintain all of the details in the departmental files.

### **4. OBTAIN REQUIRED APPROVAL AND FORWARD PAYMENT FOR PROCESSING**

### **5. REPORT TOTAL PAYMENTS OF \$600.00 AND OVER**

If a human subject receives cumulative payments from the College equaling or exceeding \$600.00 in a calendar year, the College is required to issue an IRS Form 1099-MISC, *Miscellaneous Income*. The HSPVs described above are processed in a secure manner so the proper information can be acquired while still maintaining confidentiality. Access to all Accounts Payable forms is restricted to ensure confidentiality.

## **PROCEDURE APPROVALS & REVISIONS**

Created by the Tax Accountant: *March 16, 2012*  
Approved by the Director of Financial Operations:  
Revised: Office of Sponsored Programs 2/15/18