

Payments to Research Participants (Human Subjects) - Procedures

Background

It is not uncommon for human research participants to be paid for their participation in research. Payment for participation in studies is not considered a benefit, it is compensation for time, effort and for study-related expenses. It could also be considered a recruitment incentive.

The amount and schedule of all participant payments must be submitted to the Chapman Institutional Review Board (IRB) at the time of initial review. The IRB reviews both the amount of payment and the proposed method and timing of disbursement to assure that they are neither coercive nor present undue influence [[45 CFR 46.116](#), [21 CFR 50.20](#)]. Compensation can be in the form of money, gift certificates, products, or other incentives. In some cases, payments are made to the parents or legal guardians of the participants.

Researchers must not deviate from the amount, type, or timing of compensation without amending their protocol and securing IRB approval.

Responsibilities

Researchers/departments must:

1. Describe Research Participant compensation in their IRB protocol (Subject Compensation section). If it is anticipated that a participant's payment, as described in the IRB protocol, is going to exceed \$599.99 per calendar year, the researcher shall have the participant complete the [Acknowledgement of Research Participant Compensation form](#) to ensure that participants are notified of the IRS reporting requirement and to explain that anonymity cannot be maintained. (See Section D.). Single payments that exceed \$400 will also require the researcher shall have the participant complete the [Acknowledgement of Research Participant Compensation form](#).
2. Record in a log or other research document (such as the [Research Participant Compensation Log](#)) participant payments by Cash or Gift Card, and include:
 - Protocol name or number
 - Human Subject Identifier alpha/numeric code assigned by researchers to protect the identity of participants) or identifier for Chapman employee or student.
 - Date of the transaction
 - Amount of payment
 - Name of the person making the payment.
3. Physically safeguard Cash or Gift Cards from loss at all times:
 - Place them in a safe or a locked receptacle, and keep the receptacle in a properly secured area.
 - They should be reconciled regularly (not less frequently than quarterly and upon termination of any award) by research personnel employed by the University or fiscal

officer.

- In the event of a theft, the loss must be reported to the Chapman Public Safety office.
4. Account for undistributed Gift Cards, cash, or non-monetary items
- There may be instances when the number of participants in the study are somewhat unknown, and more Gift Cards, cash, or non-monetary items are obtained than might ultimately be used. Since all items have cash value, the University and the researcher/designee must ensure these items are handled and tracked appropriately. The researcher/designee will be responsible for accounting for any remaining undistributed Gift Cards, cash, or non-monetary items purchased with University funds at the completion of the study, or six months into the study if the study is to exceed six months.
 - If a researcher/designee has unused cash, the researcher/designee must return any unused cash to the Accounts Payable Office within 30 days after the completion of the study, or six months into the study if the study is to exceed six months.
 - If a researcher/designee received a cash advance and has unused Gift Cards, cash, or non-monetary items, the researcher/designee must make a cash deposit to the Cashier's Office equal to the dollar value of the remaining/unused Gift Cards, cash, or non-monetary items. The researcher/designee must make the deposit within 30 days after the completion of the study, or at six-month intervals if the study is to exceed six months.

Procedures

Procedure to access funds will depend on the preferred Participant Payment Type and whether the participant is anonymous or not:

Participant Payment Method	Process	Procedure
<u>Cash payment</u> Participants will be provided cash payment.	Petty Cash/Cash Advance	Cash Advance Procedure
Gift Cards Participants will be provided Gift Card payment.	Petty Cash/Cash Advance/P-Card	Cash Advance Procedure
<u>Virtual Payment (Electronic Gift Card)</u> Participants will be provided virtual card payment information via email notification to allow for online purchases or the option to transfer funds to their personal bank accounts.	Cash Advance/P-Card/Reimbursement	Cash Advance Procedure See Concur Reconciliation and Reimbursement Process
<u>Amazon Mechanical Turk (MTurk) or other electronic survey tools</u>	P-Card/Wire Transfer/Reimbursement	See Concur Reconciliation and Reimbursement Process

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IRS Reporting and Collection of Social Security Numbers

1. It is the responsibility of the researcher to maintain accurate payment records according to University accounting standards and sponsor requirements. In addition, all Human Subject payments and gifts are considered income to the recipient and the IRS requires that Chapman University (or whoever is paying the research subjects for participation) report payments in excess of \$599.99 per calendar year for tax purposes. If a researcher anticipates reaching this threshold with a single subject(s) in a calendar year, the researcher shall have the participant complete the Acknowledgement of Patient Compensation form (HYPERLINK) to ensure that participants are notified of the IRS reporting requirement and to explain that anonymity cannot be maintained. Single payments that exceed \$400 will also require the researcher shall have the participant complete the [Acknowledgement of Research Participant Compensation form](#). **Historically, the majority of research projects at Chapman do not meet this reporting threshold.**

Because of the sensitive data associated with Social Security numbers, these should generally be collected for research payment only when necessary to comply with IRS reporting requirements. For projects that involve collection of SSNs, this should be explained in the protocol. The protocol should indicate that these data will be collected separately from the research records and should describe security measures that will be used to protect subject confidentiality. In addition, the consent form should indicate that subjects will be asked for their SSNs, why this information will be collected, and how it will be protected. *NOTE: Researchers should consult with Chapman IS&T for information regarding the storage and transmission of records containing participant SSN#'s.*

Special Considerations—Chapman University Employees

All payments to Chapman University employees are considered to be taxable income, regardless of the amount of payment. Research personnel are required to communicate the information to Financial Services regularly. Employees receiving participant payments will see this reflected the tax form W-2 at year-end.

Special Considerations—Non-Resident Aliens (NRA)

Because tax and withholding requirements for non-resident aliens are both complex and highly variable, research personnel should exercise discretion before agreeing to pay the visitor for participation. Financial Services must be consulted to determine the tax regulations before payment can be made to these individuals. Unlike other participants, the university may be required to collect tax payments from the participant simultaneous to issuing gift cards.

Reimbursement of Expenses to Participants

If a participant has signed an IRB-approved consent form allowing their travel expenses to be paid for by the study, the researcher should obtain funds, pay the participant's expenses, and settle the funds,

using a method described above (e.g., petty cash, cash advance). Supporting documentation for the reimbursement should be retained in the departmental records. In order to protect the anonymity of the subject, no receipts should be sent to Accounting.