

Dartmouth College

Guidance Concerning Payments to Research Participants

[Approved by Controller and Director of Sponsored Projects 6/18/2014]

I. Guidance Statement

Payments to research subjects can raise issues that cut across regulatory, financial and academic areas. The issues to be addressed include ethical treatment of subjects, financial stewardship, documentation and grants management. Several offices and roles at Dartmouth have oversight for all or part of the process of paying research subjects. The goal of this document is to provide information on roles and responsibilities, processes for review and approval of payments, and appropriate mechanisms for payments and required documentation. Please note, Dartmouth Hitchcock Medical Center has different management requirements. The guidance provided here is for research conducted under the auspices of the College.

II. Background:

As stated in guidance from the Committee for Protection of Human Subjects at Dartmouth (CPHS), “payment to research subjects may be an incentive for participation or a way to reimburse a subject for travel and other expenses incurred due to participation.” The CPHS is responsible for reviewing and approving all research projects involving human subjects.

Payments are typically of two types:

- 1) **Travel reimbursements:** for out-of-pocket expenses such as parking and/or mileage. Travel reimbursements are not taxable.
- 2) **Stipends:** provide a reasonable remuneration to participation (e.g. time). Stipends may be taxable and reportable to the Internal Revenue Service (IRS) if certain conditions apply (see section VI below).

III. Policy

Payments for research participants must follow Dartmouth College financial policies and procedures, the guidance described in this document and payment procedures described in Attachment A.

See Section V. below and Attachment A for detailed procedures.

IV. Roles and Responsibilities

Principal Investigator/Study team:

- Responsible for carrying out the approved protocol including the plans for payments to research subjects and obtaining approvals from the CPHS for any proposed plans.
- The PI is responsible for assuring that payments are processed for only approved CPHS protocols and in accordance with the approved protocol. Any deviation from the approved protocol with respect to subject payments must be reviewed and approved by the CPHS. The Principal Investigator and/or Study Team are responsible for working with the CPHS to obtain approvals for changes.
- The PI is responsible for the accountability of funds received and disbursed to research participants.
- For participant payments other than checks, the PI is responsible for ensuring documentation of payments distributed is maintained for reconciliation, audit, and tax reporting purposes.

Department Research Administrators (DRA):

DRAs provide assistance to the PI/Project Team in processing payments. The DRA provides guidance on Dartmouth financial policies and the selection of the appropriate payment mechanism for the study. The DRA prepares the required forms, obtains approvals and submits the forms to the Finance Center or appropriate department for processing (see Appendix A).

Finance Centers: Requests for research subject payments by check are processed in the Finance Center for the area in which the project is being managed. Finance Centers will receive payment requests and process research subject payments requests on a priority basis, so the check will be issued within 10 days after receipt of the properly completed paperwork.

Cashier's Office: Requests for petty cash to pay research subject payments in cash are processed and tracked by the Cashier's Office.

Controller's Office: The Controller's Office has responsibility for oversight, monitoring and any modifications to this policy or the payment mechanisms described in Attachment A.

Procurement and Accounts Payable: Accounts Payable is responsible for managing the CT Payer Program and also for issuing the 1099-MISC and 1042-S when payments are reportable to the IRS. Procurement Services is responsible for the PCard Program.

V. General Procedures

Requests for payments, including complete documentation, should be processed as quickly as possible to avoid unnecessary delays for research subjects. All requests for research participant payment must be in compliance with the CPHS approved protocols for the study. Any payment received by the research participant should accrue as the study progresses; compensation should not be contingent upon the research participant completing the entire study. However, payment of a small portion as a bonus or incentive for completing the study is an acceptable practice so long as the amount is not coercive. Payment to subjects who withdraw from the study can be made at the time they would have completed the study (or completed a phase of the study) had they not withdrawn, unless it creates undue inconvenience or a coercive practice.

Generally Acceptable Reimbursements

- *The CPHS approved protocol should describe the approved reimbursements for the study including the distinction between reimbursement for travel and stipend payments.*

Travel reimbursement:

Reimbursement of Participation-Related Expenses:

- This generally includes parking, gas, and travel reimbursements, and may include per diem (meals).
- Reimbursing volunteers for parking is standard.
- Gas reimbursement does not need to be calculated at the College rate but may not exceed the current published IRS rate for business or medical miles which can be found at <http://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates>.
- All types of reasonable transportation costs are reimbursable.
- Acceptable mechanisms for initiating payments to Subjects are listed on Attachment A.
- Alternate mechanisms should not be used without consultation and approval by the Controller's Office.

VI. IRS Reporting: Cumulative stipends of \$600 or more per individual per calendar year

1. In compliance with Internal Revenue Service (IRS) requirements, Dartmouth reports payments made to human subjects that total \$600 or more in a calendar year. This amount is the total from all participant payments regardless of form (e.g. cash, gift cards, etc.) to an individual. However, reimbursements for travel and similar expenses are not included in this total.
2. If there is a possibility of an individual's subject payments reaching \$600 in a calendar year, subjects must be informed of tax reporting requirements in the consent form. For cumulative participant

payments of \$600 or greater, Dartmouth College will issue Form 1099-MISC or 1042-S (Foreign Person's U.S. Source Income) as required, to the recipients with a copy to the IRS, at the end of each calendar year. If you have any questions about a particular situation, please contact the Accounts Payable Office prior to making the payments.

3. If there is a possibility of an individual receiving \$600 or more in participant payments in a calendar year, the Principle Investigator is responsible for obtaining the participant's legal name, tax ID number and address and providing that information to Accounts Payable for appropriate reporting. If the payment method used is other than a Dartmouth College check, contact Accounts Payable to discuss appropriate communication of the tax information. Social security numbers must be stored and transmitted securely. They should not be transmitted via email or other unsecured methods.
4. If a social security number is required based on the criteria above and the payee is an international student or visitor that has not been assigned a social security number, you will need to report the individual's country of citizenship. If an individual is a non-resident alien then they are subject to withholding. Some participants may qualify for exemption. Please contact Accounts Payable for more information.

VII. Resources

Office of the Committee for the Protection of Human Subjects:
Finance and Administration, Controller's Office
Finance Centers
Office of Sponsored Projects
Procurement and Accounts Payable
Cashier's Office

VIII. Who Should Read This Policy

- *Principal Investigators involved in human subjects research*
- *Staff involved in human subjects research*
- *All members of the research community*
- *Department research administrators and OSP*
- *Deans, directors, and department heads*

Attachment A

General documentation requirements for all participant payments:

PIs should maintain the following documentation in their Study/DRA file for all participant payments

- If a signed consent form is obtained, the PI should record the name of the individual, payment amount, and date. If payments are made in person the recipients should be asked to sign a receipt or listing to document receipt of the participant payment.
- If a signed consent form is waived and the PI will not know the names of the individuals receiving payment, the PI should document the amount, date, and number of payments made.

| Form of Payment | Mechanism for Payment | Preferred Method When: | Documentation in Study/DRA file | Process Requirements |
|-----------------|-----------------------|--|--|--|
| College Check | (MIPV) | Payment by College check is the preferred method, but may not be appropriate for all participant payments, such as when participation is anonymous or for small single payment per participant (\$20 or less). | <p>Legal Name of Payee: Full legal name (Initials or nicknames should not be used in place of first names). The name of the Payee must correspond to the name for the tax identification number provided.</p> <p>Payee's Legal Mailing Address: Legal or business address (street, city, country, and zip/postal code) for tax purposes of the person receiving the payment must be provided.</p> <p>Social Security #: of the payee. If international student or visitor has not been assigned a social security number, indicate the individual's country of citizenship.</p> | <p>Completed MIPV should be sent to your Finance Center with appropriate approval per the Dartmouth College Signature and Requisition Authority Policy (see appendix</p> <p>Cumulative participant payments of \$600 or more in a calendar year must be reported as taxable to the IRS. Dartmouth College will issue Form 1099-MISC or 1042-S (Foreign Person's U.S. Source Income) as required, to the recipients with a copy to the IRS, at the end of each calendar year.</p> <p>If you have any questions about a particular situation, please contact the Finance Center or Accounts Payable Office prior to completing this voucher.</p> |

| Form of Payment | Mechanism for Payment | Preferred Method When: | Documentation in Study/DRA file | Process Requirements |
|----------------------------------|---|--|---|--|
| Cash | Petty Cash | For studies involving one-time cash payments to participants of \$20 or less | <p>Payee name, address, and social security number (if cumulative payments during the calendar year could reach \$600 – see IRS Reporting section above) <u>plus</u> documentation showing receipt of payment by recipient, with participant’s signature.</p> <p>The documentation can be a single receipt per recipient or listing with participants’ signature and verification of amount received. This documentation should be submitted to the Cashier’s Office to clear the advance or replenish the petty cash fund.</p> <p>If the participants must be anonymous, the documentation must be maintained in the study files and summary information regarding the number of participants and amounts paid should be submitted to the Cashier’s to clear the advance or replenish the petty cash fund.</p> | <p>To request a petty cash fund, submit a petty cash request form to the Cashier’s Office. A petty cash request form can be found at http://www.dartmouth.edu/~control/forms/pettycash.html</p> <p>To replenish the fund or close it out after the research is completed, submit a Petty Cash Replenishment Form to your Finance Center with Copies of Receipts. If you are closing the petty cash fund, note that on the replenishment form and return any remaining cash to the Cashier’s Office.</p> |
| CT Payer – reloadable debit card | Contact Accounts Payable for setup of program | <p>CT Payer cards may be appropriate for large scale projects where the confidentiality of the participants must be maintained and individual participants receive multiple payments over the course of the study.</p> <p>Participants must be informed of potential fees assessed for use/non-use of the CT payer card.</p> | <p>Payee’s full legal name, address, and social security number (if cumulative payments during the calendar year could reach \$600 – see IRS Reporting section above)</p> <p>CT Payer cards are assigned to individuals but use a code in the system to maintain confidentiality. Records must be maintained in the study files to identify individuals associated with the codes in the CT Payer system for audit and tax reporting, if required.</p> <p>Study Administrator(s) for maintaining the records and managing the reload of debit cards is required.</p> | <p>Contact Accounts Payable for detailed information regarding the program to determine if this option is appropriate. Accounts Payable can provide the application and training on the CT Payer system.</p> <p>It can take several weeks to set up the program, receive the cards, and complete training on the system, so contact Accounts Payable as soon as possible to start the set up process.</p> |

| Form of Payment | Mechanism for Payment | Preferred Method When: | Documentation in Study/DRA file | Process Requirements |
|-----------------|-----------------------|--|---|---|
| Gift Cards | Procurement Card | <p>Gift cards may be appropriate for smaller scale studies when the confidentiality of participants must be maintained, and the per visit payment to the participant is greater than \$20.</p> | <p>Payee name, address, and social security number (if cumulative payments during the calendar year could reach \$600 – see IRS Reporting section above) <u>plus</u> documentation showing receipt of payment by recipient, with participant’s signature.</p> <p>The documentation can be a single receipt per recipient or listing with participants’ signature and verification of amount received.</p> <p>If recipients are offsite and cards are mailed, documentation needs to include reconciliation of cards purchased, distributed, and remaining and certification that all cards charged to the grant were distributed to participants.</p> | <p>PCard Request Form should be sent to your Finance Center with Copies of Receipts</p> |

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|---------|--|--|---|--|
| Drawing | Determined by the nature of the prize. | <p>Eligibility for a prize may be appropriate when the nature of the study requires limited incentive, such as one-time participation in an on line survey.</p> <p>The consent form and recruitment materials (as applicable) must state the chances of winning.</p> <p>In order to avoid confusion with state-regulated gambling activities, the drawing may not be called a “raffle” or “lottery”.</p> | <p>Prize winner legal name, address, and social security number (if cumulative payments/prized during the calendar year could reach \$600 – see IRS Reporting section above).</p> | <p>Prizes with a value of \$600 or greater must be reported to the IRS. If value is \$600 or greater, provide the name, address, and social security number to Accounts Payable for tax reporting.</p> |
|---------|--|--|---|--|

| Form of Payment | Mechanism for Payment | Preferred Method When: | Documentation in Study/DRA file | Process Requirements |
|----------------------|-----------------------|--|--|---|
| Other Items of Value | Procurement Card | Depending on the nature of the study, other items of value may be appropriate. | Payee name, address, and social security number (if cumulative payments during the calendar year could reach \$600 – see IRS Reporting section above). | <p>PCard Request Form should be sent to your Finance Center with Copies of Receipts</p> <p>Item(s) with a value of \$600 or greater must be reported to the IRS. If value is \$600 or greater, provide the name, address, and social security number to Accounts Payable for tax reporting.</p> |