
Lifespan System-Wide Policy

Subject:
Human Subject Payments

File Under:
Finance

Latest Revision Date:
7/15/11

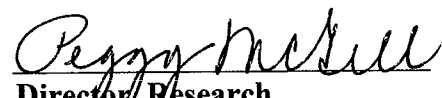
Issuing Department:
Finance


Original Policy Date:
4/1/98

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Approved by:

Policy Number:
LS Finance #14


**Director, Research
Administration**


**Vice President, Finance –
Corporate Services**


Vice President for Research


Senior Vice President & CFO

I. Purpose:

Establishment of a Lifespan system-wide policy regarding financial compensation to research study participants. Documentation provided for each method of payment must be able to satisfy federal reporting requirements, such as Internal Revenue Service Form 1099 and Public Health Act Section 474(a).

II. Applicability:

This policy applies to all research projects that compensate human subjects for their participation. The use of human subjects in a research project must first be approved by the Institutional Review Board (IRB) Committee.

III. Policy:

There are four acceptable methods to pay human subjects for research study participation:

1. Check Requests.
2. Petty Cash Vouchers.
3. Cash Advances.
4. Principal Investigator Reimbursement.

Check requests and cash advances are the preferred methods and should be used whenever possible.

Method #1: Check Requests

A *Request for Check Form* (rev 11/05) [available online at: <http://intra.lifespan.org> under Employee Tools tab, section Forms] is completed and must include the human subject participant's name, mailing address and social security number. The request must be signed by the Principal Investigator or his/her designee. Check requests for an amount less than \$1,000 may be sent directly to Accounts Payable, CORO Building, Suite 2A. Requests for checks of \$1,000 or greater must be approved by the Office of Research Administration. Checks will be mailed directly to the participant at the address indicated on the check request.

Method #2: Petty Cash

When payment to a participant is unanticipated, a *Petty Cash Voucher for Study Participants Form* [available in the Office of Research Administration, Aldrich Building 312, or online at www.lifespan.org/research/grants/generalforms.asp] is completed. The maximum payment allowance on a petty cash voucher is **seventy-five dollars** (\$75.00). Both top and bottom halves of the form must be completed by the Principal Investigator or his/her designated signatory. One half will be given to the study participant, who will in turn present it to the respective Lifespan affiliate's Cashier's Office for collection of their participation fee; the other half of the form will be forwarded by the Principal Investigator or designee to Research Finance, Aldrich Building 312. Payments that exceed \$75.00 must be processed by Method #1 or Method #3. Only one petty cash voucher per day for the same person may be processed by the Cashier's Office.

Petty Cash Vouchers for anonymous human subjects (see Anonymous Human Subjects section below) need only include the participant's study ID number in lieu of his or her name, address and social security number. All other information requested on the voucher needs to be completed.

Human subjects must present personal identification to receive payment from the Cashier's Office. The Principal Investigator or his or her designee should tell the participant that ID will be required for payment. If the participant does not have ID, or the person is an anonymous participant, the principal investigator should write on the Petty Cash Voucher that the participant does not have ID.

When petty cash is to be used to pay human subjects from a research study, the Principal Investigator should send a memo in advance to the Cashier's Office that includes the research study name, responsibility center and samples of signatures of Principal Investigators who can approve Petty Cash Vouchers. An updated list should be sent to the Cashier's Office by the Principal Investigator when signatures are added or deleted.

Method #3: Cash Advances

All cash advances require the approval of the Director of Research Administration or designee and will be issued to the Principal Investigator or his or her designee when study participants are (1) involved in studies at off site locations, (2) not able to go to the Cashier's Office for submission of petty cash vouchers, or (3) anonymous. A *Request for Check Form* (rev. 11/05) [available online at: <http://intra.lifespan.org>, Employee Tools tab, section Forms] is completed by the Principal Investigator, approved by the Director of Research Administration and sent to the Cash Advance Accountant, Finance Department, CORO Building, Suite 2A. A contact name and telephone number should be indicated on the *Request for Check Form*. A check will be issued for the requested amount and made payable to the person shown on the *Request for Check Form*. The responsibility (cost) center and expense code to be used on all cash advance *Request for Check Forms* are 0000 and 0208, respectively. The "Reason for Check" on the form must include (1) the research project name, (2) the grant responsibility center number that will be ultimately charged for the expense, and (3) justification for the cash advance amount, which would include the number of anticipated study participants and the amount each participant would receive. These funds will be used as an off site "petty cash bank" to facilitate payments to human subjects for a designated research project. All cash advance checks as well as gift certificates/cards, and/or cash is to be locked in a secured lock box or safe, to be accessed only by authorized personnel. Individual cash payments to participants may not exceed \$99.99 (method #1 must be used for payments that equal \$100 or more). **All cash advances for study participants must be settled within six (6) months of the cash advance check date, or by the grant budget expiration date, whichever is sooner. Receipts should be submitted at least quarterly, or monthly when possible.**

Settlement consists of submitting documentation that the human subject payments have been made. Proper documentation includes the name and address of the study participant, or the participant's study ID number if the participant is anonymous (see Anonymous Human Subjects section below). If gift certificates/cards are utilized in lieu of cash, the store receipt where the gift certificates/cards were purchased must be submitted.

Gift certificates/cards are treated the same as cash payments. The principal investigator or his/her designee is responsible for settling the entire amount of the gift certificates/cards purchased. Care should be taken to ensure that all of the gift certificates/cards will be disbursed. If all of the gift certificates/cards are not disbursed, and they cannot be returned to the vendor, the amount of the undisbursed gift certificates/cards may be treated as taxable income to the principal investigator (or his/her designee) unless an opportunity to utilize them in an alternative study is identified. A second cash advance may be made before the first cash advance is fully settled with the understanding that **the first cash advance will be fully settled within 30 days after receiving the second cash advance. A third cash advance will not be made until the first cash advance is fully settled.**

Unsettled prior cash advances will result in the termination of cash advances for the Principal Investigator or his/her designee, and the outstanding amount may be charged to the Principal Investigator's or the Department's restricted responsibility center. Internal Revenue Service (IRS) regulations require that the amount of an unsettled cash advance that is paid to an individual be reported to the IRS as income taxable to that person.

Method #4: Principal Investigator Reimbursement for Human Subject Payments

In some cases, it may be necessary for the Principal Investigator to make out-of-pocket human subject payments when one of the other three methods above cannot be used. In these cases, the Principal Investigator must complete an Employee Expense Reimbursement Voucher [available online at: <http://intra.lifespan.org> under Employee Tools tab, section Forms] and submit it to the Director of Research Administration or designee for approval with documentation that includes the participant(s) name, address and social security number, or the participant's study ID number(s) for anonymous human subjects (see Anonymous Human Subject section below). This method may only be used when individual payments do not exceed \$99.99 (method #1 must be used for payments that equal \$100 or more).

Reimbursement to the Principal Investigator for gift certificates/cards that are used in lieu of cash payments require the same documentation as cash payments and will be made only when all of the gift certificates are distributed. The original store receipt where the gift certificates/cards were purchased must be submitted to generate reimbursement.

Anonymous Human Subjects

When the Institutional Review Board (IRB) approved protocol specifies that human subjects shall be anonymous, the Principal Investigator is not required to collect the name, social security number and address of the study participants. However, the anonymous participant needs to be informed by the Principal Investigator or his or her designee that the payments are taxable income. For audit purposes, the Principal Investigator should maintain documentation (e.g., a participant study number) to show that the human subject participated in the study.

IV. Procedure:

Responsibility

Action

Principal Investigator

Obtains approval for the use of Human Subjects on the designated research project through the Institutional Review Board Committee (IRB).

Determines human subject payment method to be utilized. All methods of payment that exceed \$1,000 must be approved by the Director of Research Administration or designee.

Petty cash payments require sending a memo to the respective Lifespan affiliate's Cashier's Office that includes the research study name and responsibility center, along with samples of signatures of Principal Investigators who can approve Petty Cash Vouchers.

Must maintain proper participant documentation to satisfy federal and institutional reporting requirements.

Director, Research Administration
or Designee

Approves use of Method #3, cash advances, if so requested by Principal Investigator.

Through membership on the Institutional Review Board Committee, reviews use of human subjects and appropriateness of compensation for participants in all research projects.

Manager, Research Finance

Maintains petty cash participant documentation files for each calendar year to meet federal and institutional reporting requirements.

Manager, Accounts Payable

Distributes Form 1099 to participants paid directly via check request through Accounts Payable that meet the \$600.00 miscellaneous income reporting threshold established by the Internal Revenue Service.