

THE
UNIVERSITY
OF UTAH
Payments to Human Research Participants
Revised February 29, 2024

I. SCOPE & INTRODUCTION

This document describes how human research participants are compensated for participating in University of Utah (“University”) research projects.

This guideline is necessary to reasonably ensure the proper handling of confidential information and reasonably ensure compliance with IRS reporting requirements. The guideline also exists to reduce administrative burdens and limit the exposure of high-risk data by setting a reasonable dollar threshold that determines when researchers must collect confidential information in certain situations. The University must comply with sponsor requirements, Institutional Review Board regulations and protocols, IRS guidelines, University regulations, and good business practices.

Questions regarding payments should be directed to Accounts Payable. Questions regarding exceptions to this procedure, as described later in this document, should be directed to the Institutional Review Board (“IRB”) and the Clinical Research Support Office (“CRSO”), as applicable.

II. DEFINITIONS

- A. Human Research Participant: A volunteer participant in a research study. Referred to hereafter as “participants” in this document.
- B. High-Risk Participant Confidential Information: This includes a person’s social security number, driver’s license, state ID, passport number, a name in conjunction with biometric information about the named individual, or any other personally identifiable information
- C. Non-Resident Aliens (“NRA”): An individual who is not a United States citizen or U.S. national. A non-resident alien is an individual who has not passed the green card test or the substantial presence test. These individuals are treated differently for tax purposes than US tax residents.
- D. Payment: Any kind of remuneration to the participant including cash, checks, gift certificates, gift cards, or other items of value, such as toys, CDs, books, etc.
- E. Study: Generally, a sponsored project, approved by the IRB, conducted under the direction of a principal investigator.
- F. Tax Information: Includes the participant’s full name, social security number, and mailing address via IRS Form W-9. For information regarding NRA tax reporting requirements, see the “Tax Reporting Requirements” section below.

III. PAYMENT METHODS AND PROCESSES

- A. Informed Consent Documents
Payment methods and collection of required tax information must be disclosed in the informed consent document approved by the IRB. Participants in studies that do not qualify for a payment

exception may refuse to provide tax information and still participate in the research if they are willing to waive receipt of payment.

B. Responsibility to Collect Tax Information

If the collection of tax information is required in accordance with the guidance outlined below, the investigator or designee must verify that all required information is provided before giving compensation. This includes confirming with the participant that the name and address provided are accurate. If a discrepancy exists when verifying tax information, it is the responsibility of the study team to collect an updated document.

C. Participant Payments System

The Participant Payments system is the required method for health sciences studies and preferred method for all other studies providing payments to human research participants. The system is managed by the Clinical Research Support Office (CRSO). Important details regarding the use of Participant Payments are provided below:

- This system will provide a debit card that can be used for multiple studies that is reloadable for multiple payments or provide a direct deposit option for participants.
- The investigator/study team is responsible to submit collected tax information into the OnCore system, if required, see Section E below.
- The system creates a record of all payments. CRSO will provide a monthly report that includes participant name, address, monthly itemized payments, year-to-date amounts.
- Tax information will be provided to Tax Services/Accounts Payable each month for verification, if required, see Section E below. CRSO will notify the study team of any discrepancies that need to be resolved.

1. Participant Payments System Waiver

A waiver for the use of the Participant Payments system may be approved on a case-by-case basis. For information regarding waiver requests, please contact the CRSO office at crso@hsc.utah.edu. If the Participant Payments system is not used, investigators must:

- use the eligible forms of compensation and follow the corresponding tax reporting requirements listed below in Section E.
- maintain payment logs for all studies that provide payments to participants. Such logs will serve as the accounting support for payment methods that do not require the collection and reporting of participant tax information. In the event of an audit, it will be the responsibility of the investigator to supply all required supporting documentation for human subject payments made from the investigator's accounts.

D. Security of Records

Any compensation records maintained by a study team that contain restricted information (including protected health information) shall be managed with reasonable and appropriate safeguards as are necessary to prevent the unauthorized use or disclosure of the information. The necessary safeguards must meet the standards articulated in University policy and contractual obligations.

For studies utilizing the Participant Payments system: the CRSO team will require appropriate training before granting system access. Once the training is verified, the University employee will be provided with an account that provides access applicable to their role in the study. This system is protected under the direction of University IT password policies.

E. Eligible Forms of Compensation and Tax Information Reporting

Payments to research participants fall into two categories, each with specific payment methods and tax reporting requirements, as detailed below:

1. **Category A: \$100 or less single payment AND less than \$600 total in calendar year**

Refer to this category if all the following apply:

- The compensation paid to the participant with a single payment is \$100 or less AND
- There is a reasonable expectation that the sum of all payments to the participant during the calendar year will be less than \$600.

Approved Payment Types	Requirements and Processing
Petty cash	Collect full legal name of participant/recipient and keep in study records only
Gift Card or Gift Certificate	
Participant Payments (Debit Card/Direct Deposit)	
Tangible Personal Property*	
Electronic Payment Request ("EPR")	Collect tax information via W9 and forward to Accounts Payable

2. **Category B: More than \$100 single payment AND/OR \$600 or more in total in calendar year**

⚠ Gift cards/certificates are **NOT** approved for payments in Category B.

Refer to this category if either of the following apply:

- The compensation paid to the participant with a single payment is over \$100 AND/OR
- The sum of all payments to the participant during the calendar year is (or is expected to be) \$600 or more.

Approved Payment Types	Requirements and Processing
Electronic Payment Request ("EPR")	Collect tax information via W-9 and forward to Accounts Payable
Participant Payments (Debit Card/Direct Deposit)	Collect tax information via W-9 and save in OnCore system; CRSO will forward to Accounts Payable
Tangible Personal Property* (property valued at \$600 or more per year per participant)	Collect tax information via W-9 and forward to Tax Services

*Tangible personal property cannot be considered a gift, since the personal property is given as compensation for services in the study. Examples of tangible personal property are toys, CDs, books, etc.

F. Exceptions from this Payment Process

A study may qualify for a payment process exception. An exception may be granted if the study requires total anonymity because disclosure of the participants' identities outside the research could reasonably place the participants at risk of criminal or civil liability or be damaging to the participants' financial standing, employability, or reputation.

Studies that qualify for a payment process exception are not required to collect personal, identifiable information according to these guidelines in order to pay research participants, so long as aggregate payments to an individual participant remain under \$600 per calendar year. All determinations regarding payment process exceptions are made by the IRB. Refer to IRB policy for procedures to obtain an exception.

IV. TAX REPORTING REQUIREMENTS

- A. The Internal Revenue Service (“IRS”) treats human research participant payments as taxable income to the participant.
- B. Payments totaling \$600 or more for the calendar year shall be reported on IRS Form 1099-MISC provided by the University.
 1. Payments made to NRAs will be subject to tax withholding and shall be reported on IRS Form 1042-S provided by the University. NRAs must complete the online *Glacier* process. Please contact the Tax Services Department for information.
- C. Employees and non-employees who receive human research participant payments are treated the same for IRS tax reporting purposes by the University, with the following exceptions:
 1. If the research study (1) intentionally limits study recruitment to University employees or (2) if participation in the research study is substantially similar to the participant’s University employment duties, then payment(s) to University employees over \$100 (either singularly or in the aggregate) will be reported as wages on the employee’s Form W-2, subject to tax withholding and processed by the Tax Services Department. If these conditions are met, the study team must:
 - inform research participants who are University employees that payments received for participating in the applicable study will be reported as wages and subject to tax withholding. This information must be communicated to the employee participant in the context of the informed consent discussion.
 - contact the Tax Services Department to provide required information.

V. ADDITIONAL RESOURCES

- A. Accounts Payable:
 - Policy 3-011 – Petty Cash Funds: <http://www.regulations.utah.edu/administration/3-011.html>
 - Instructions for Payment Requests: <https://fbs.admin.utah.edu/epr/>
- B. Institutional Review Board (<http://irb.utah.edu/>):
 - Investigator Guidance Series: <http://irb.utah.edu/guidelines/investigator.php>
 - Compensation of Research Subjects: https://irb.utah.edu/resources/documents/pdf/00igs-bmgs/igs-compensation_of_research_subjects_041321.pdf
 - Forms & Templates: <https://irb.utah.edu/forms/>
 - Payment Process Exception Request Form: https://irb.utah.edu/resources/documents/doc/00forms_and_templates/payment_process_exception_request_2024.docx
- C. Clinical Research Support Office (CRSO): <https://ctsi.utah.edu/crso/oncore>
 - Participant Payments Website: <https://ctsi.utah.edu/crso/oncore/participant-payments/about>
 - Service Now: https://uofu.service-now.com/it?id=uu_catalog_item&sys_id=f557af6a1b4e8d50d0f4520b234bcb9a