

COMPTROLLER POLICY MANUAL

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	Responsible office: Comptroller
Subject: Compensation of Research Subjects	Origination date: 01/01/2019
	Effective date: 1/1/2019
	Revision date: 01/30/2020

PURPOSE

To provide a procedures for the compensation of subjects for participation in research.

SOURCE

University policy, State of Arizona Accounting Manual, Federal regulations

POLICY

CMP 401-09: Compensation of Subjects

Federal regulations require that the Institutional Review Board (IRB) review and approve the methods used to recruit participants, including compensation, to ensure that they do not include coercion or undue influence. However, the regulations do not set specific limits on payment or research subjects or offer definitive information to guide the IRB in their review.

It is not necessary to compensate subjects who participate in research. However, paying research subjects in exchange for their participation is a common and, in general, acceptable practice. Payment for participation should be just and fair.

IRS and University Reporting requirements:

The University has legal and fiduciary responsibilities to properly account for all payments made to individuals, be they employees, students, vendors, or research subjects. Responsibility for financial management of human subject research rests with the departmental accounting office (as account custodian) with oversight by the Principal Investigator and Faculty Advisor, as applicable. Individuals in these roles should clearly understand the financial authority and institutional obligations as outlined by the NAU Comptroller Office.

NAU has specific requirements for research payment administration. Researchers need to be mindful of the payment method, tracking requirements and consider any risks compensating participants may introduce as a result. Researchers must ensure participants in research are informed that:

- Internal Revenue Service (IRS) considers payments for participation in research studies to be taxable income to the recipient; and

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- Personally identifiable information such as a participant name or SSN may need to be given to the NAU Comptroller Office. If the cumulative amount of payment exceeds \$600 in one calendar year, a 1099 will be issued to the participant subject to IRS reporting requirements.

Here is suggested informed consent language to include, as applicable:

Please be aware, compensation for participation in research may be considered taxable income. The University requires tracking for compensation that is paid to you; this may include your name and contact information and social security number for reporting purposes. This information is stored confidentially and separate from research data.

Cash Payments

Cash payment to participants is allowable if through IRB review and approval, it has been determined the participants remain **anonymous**. Cash may be requested via a check request to the Comptroller's Office. Internal controls must be in place such as including a "confirmation of receipt" page that is dated by the participant. It is recommended to retain this documentation as it is possible that the Office of Sponsored Projects may request it later if the project is funded.

Check Payments

Check payments require the participant to be set up as a vendor in the PeopleSoft Financials system. They will need to complete a [W-9](#) prior to receiving payment. A participant payment disbursement [form](#) is commonly used for check payments as backup for a requisition.

Payment by Gift Card

Gift cards also require internal controls:

Items that are used for compensation to participants in research projects.

The value of a single item may not exceed \$25 and only one item may be given to an individual for each occurrence or participation. P-Cards may be used to purchase gift cards when they meet this criterion and that in the [P-Card Policy Manual](#). Items that are purchased for the compensation of subjects must be closely controlled. If gift cards, etc. are purchased, a log of those items must be maintained with the following information:

- Date purchased
- Gift card number / gift certificate number, etc. if applicable
- Value of the card / certificate
- Date given away
- Name of the person to whom the card is given
- Name of the administrator / faculty who releases the card
- Signature of the recipient

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If these would be greater than \$25, complete a justification for exception to policy through the Comptroller's [online form](#). If any one participant receives more than \$600 in gift cards the following information must be sent to the Comptroller's office:

- Participants name
- Participants social security number
- Participants address