



Human Subject Payments

I. Policy Statement.

This policy establishes the requirements for Rutgers University (“University”) to comply with requirements of the Human Subject Protection Program (HSPP), University Human Resource policies and practices, the Internal Revenue Service (IRS), and University purchasing, and payment policies related to human subject payments. This policy governs both sponsored and non-sponsored activities related to human subject payments.

II. Purpose of Policy.

Rutgers University research projects may include the participation of human participants. The Institutional Review Board (IRB) must approve all such research projects. Human subjects may receive payments compensating them for their participation. This policy provides important information regarding compensating human subjects for their participation in research projects.

Principal Investigators (“PIs”) and other faculty/staff members who conduct externally sponsored research or internally funded research are required to ensure that study participants are eligible to receive payments (per United States tax and immigration laws) and for ensuring that the payment process is appropriate based on the funded project.

Generally, the same rules govern payments regardless of whether funds are sourced internally or from outside sponsors. Differences are noted below.

III. Policy/Procedures.

Human subject payments must comply with requirements of the Human Subject Protection Program (HSPP), University Human Resource policies and practices, Federal tax law, and University purchasing and payment policies.

Human Subject Protection Program Guidelines.

An investigator may pay a research study participant to recognize the investment of the subject's time, loss of wages, or other inconvenience incurred during study participation. Payment may not be offered to the subject as a means of undue influence, where it might cause a study participant to assume risks they would not otherwise accept.

- a. Principal Investigators must document the payment arrangements as part of their IRB application. The IRB must approve payment arrangements before the study can begin.
- b. The IRB must approve all protocols before any study participant is paid.

- c. The study participant's time allotted to and reasonable expenses incurred during their participation in the research study should determine the payment they receive.
- d. A study participant's payment may include reimbursements for parking, lodging, or transportation.

The complete schedule of the payment plan should be clearly documented within the new study application and the IRB approved informed consent document reviewed by the study participant. In most cases involving continued participation, payments should be given on a reasonable prorated basis to avoid even the appearance that the PI is coercing the subject to continue in a study or punishing the subject for withdrawal. Advanced payment methods such as cash, or gift cards shall not be charged directly to sponsored projects until the payment is disbursed to the subject.

A Study participant can withdraw from a study at any time per their discretion. However, the PI is not required to issue payment if the required work and participation is not met or completed.

If the payment is to a participant of a human subjects research study and the IRB has approved a waiver of signed consent pursuant to 45 CFR 46.117(c) (1) (confidential/anonymous waiver) or the study is covered by an IRB verification of confidential nature form, incentive payments to anonymous study subjects should not be issued via check; instead, these incentives should be paid in cash, gift cards, and/or tangible goods of value. Please see the sections below on securing, managing and recording payments, or contact Research Financial Services to obtain instructions for properly maintaining records for payments to confidential study subjects.

Employees as Research Participants

If Rutgers faculty and staff satisfy the requirements for a study, they may participate as human subjects in research. However, their participation must not interfere or conflict with their University work responsibilities. Furthermore, study participation is included in the definition of outside employment. Therefore, as a consequence of participation in a study a faculty or staff member may be required to update their disclosure form.

Faculty and staff disclosure forms can be found on the Rutgers Human Resources website:

<https://uhr.rutgers.edu/policies-resources/forms/ethics-forms>

It should be noted that there are separate policies for faculty and staff. Faculty may also have separate requirements to report to their department chair. Therefore, the relevant University policies should be reviewed at the Policy Library:

<https://uhr.rutgers.edu/policies-procedures>

IV. Taxability

All payments received by an individual for participation in a research study constitute taxable income by the IRS. Prior to the initiation of a subjects participation in a study, the

participant must be informed through the IRB-approved informed consent form that any payment received, regardless of amount, is taxable income, whether it was in the form of cash, check, visa gift card, gift card, or ClinCard payment:

Payment Eligibility and Visa Status for Research Subjects.

If the total payments provided to a participant during a calendar year do not exceed \$600, it is not necessary to determine the tax status of the participant. However, if:

- any single payment to a participant will exceed \$75, or
- in instances where the PI anticipates that a subject will receive multiple payments from a single research protocol that will add up to more than \$300 during a calendar year, then a potential subject’s tax status must be reviewed prior to being enrolled in the study.

The review is intended to ensure that the individual’s visa category allows him/her to receive income from the University. Payments to nonresident aliens that will exceed \$100 in a calendar year must be processed through the University’s Glacier Tax Portal in conjunction with University Procurement Services.

V. Methods of Remuneration; No Other Methods are Permitted.

Subjects should only be paid by the methods listed below. Employees should not provide subject payments from personal funds and seek reimbursement.

Human Subject Compensation Matrix				
	Direct Payment	ClinCard*	Gift Card (Visa or Merchant)	Cash
PAYMENT DESCRIPTION	Payment is made directly to the participant either by direct deposit or check	Payment is loaded onto a participant card through the ClinCard system	Visa cards are accepted at any merchant that accepts Visa credit cards. Merchant cards are redeemable at that specific retailer, such as Target, Walmart, or Amazon.	Used only as a last resort. Cash payments will not be authorized for disbursements that exceed \$300 in a calendar year. For additional guidance please contact RFS, Executive Director

WHEN TO USE THIS PAYMENT METHOD	<ul style="list-style-type: none"> • For any participant that is a Rutgers University employee • For any participant who is a non-resident alien (NRA) 	<ul style="list-style-type: none"> • Currently, only available to RBHS units • Recurring participants (i.e., multiple times a year or multiple year studies) • For any participant who is a non-resident alien (NRA) 	<ul style="list-style-type: none"> • For any participant whose SSN was obtained 	<ul style="list-style-type: none"> • Only available for specific studies where no other payment method is viable • Participant SSN MUST be obtained
COST	<ul style="list-style-type: none"> • No cost 	<ul style="list-style-type: none"> • \$3.95 for the initial card • \$1.15 each time it is loaded <p>These costs can NOT be charged to the participant.</p>	<ul style="list-style-type: none"> • Visa gift cards: \$2.00 per card, plus shipping • Merchant gift cards: No cost 	<ul style="list-style-type: none"> • No cost

Information for All Payment Methods

Sponsored Natural Accounts:

- Services Human Subjects - account code **54160** should be used for human subject payments to a US Resident.
- Professional Services - account code **55230** should be used for human subject payments to a non-resident. Special circumstances
- Travel Related Expenses - or reimbursements for parking, lodging or transportation are not taxable. The human subject should be reimbursed for reasonable and appropriate expenses. Although it is preferable that receipts are submitted to substantiate expenses, they are required for any transactions exceeding \$40, except for some categories of transportation.
 - Receipts are not required for mileage, public transportation, or taxi cab reimbursements. This exception is limited to research subject travel; however, the following documentation is required:
 - Mileage – map including the total miles and mileage rate applied.
 - Discount parking coupons – a log should be maintained noting who (study identifier, etc.) received the coupons and the date distributed.

- Public transportation or taxi cab – a log should be maintained noting who was reimbursed, the date, amount, and mode of transportation.
- For travel incidentals of \$100 or less, the human subject can be reimbursed via petty cash or a non-travel advance.
- The initial purchase of parking stickers or bus/train fare should be charged to a non-sponsored chart string. Once the items have been distributed to the study participants, the actual expense can be allocated to the appropriate sponsored chart string via a correction journal. Individuals must apply for an exception to provide cash payments that exceed \$100.
- Non-Sponsored Accounts: **69160** – Other Opex Fees (Cash Advances), **69182** – Other Opex Gift Card Purchase, **69260** – Other Opex Human Subjects Advances; these accounts are not permitted on sponsored projects. Each will require reclassification to an appropriate human subject account upon disbursement to the subject.

VI. Documentation for Distribution of Payments

Unless payment is being processed through ClinCard the distribution of the human subject payments for a study must be documented. If you use ClinCard, this log is automatically kept in system records. The documentation can be in the form of a log or a copy of an individual receipt (the original of which is given to the human subject). This documentation should include all of the following:

- The human subject identifier
 - Name
 - IRB number
- Amount disbursed
- Date of the disbursement
- Acknowledgment of participation and/or receipt of funds (i.e. signature of the participant)
- Acknowledgment of distribution (i.e. signature from the responsible administrator or principal investigator)
- The participant's relationship to the University (e.g. employee).

For cash payments of \$300 or less, including gift cards purchased with advanced cash funds, a log or a variation must be used to document the distribution of the funds and the participant's acknowledgement of the annual \$300 limit.

- Limited exceptions to the documentation requirements may apply for studies of a sensitive nature.
- Personal identifiable information should not be submitted to Accounts Payable in order to substantiate human subject payments.
 - This includes documentation that contains personal health information, Social Security numbers, the name of the study (if the study is of a sensitive nature), or copies of the consent forms.
- Copies of the documentation must be retained for audit purposes.

The Retention of University Records should be consulted for details on storage and retention. The principal investigator or responsible administrator must be able to account for the total dollar

amount distributed for human subject payments, validate that the payments were distributed to an actual study participant and that the payments were processed in accordance with University policies.

Best practices associated with these payments include:

- Gift cards are like cash
- Gift cards are subject to cash handling policy
- Cash and gift cards must be kept physically safe (i.e. such as using a lockbox kept in a locked drawer or cabinet).
- Limit the number of people that have direct access.
- Funds are to be used exclusively to pay research participants and may not be used to pay for other goods or services provided to Rutgers University. If there is any shortage or disappearance of the funds, you must promptly notify University Police Department (Camden (856) 225-6009, New Brunswick (732) 932-7211, Newark (973) 972-4491)
- Nonresident Aliens paid over \$300 must be paid through RU Payroll and Tax Services.

Managing and recording payments:

- Payments for multiple studies should never be commingled, including other change funds or petty cash funds. Funds may not be deposited into a personal bank account, even temporarily, for any reason.
- Always confirm payments are made in accordance with the terms of a grant/contract (if applicable) and IRB study protocol terms and conditions.
- Mailed payments should be substantiated by a log signed by two people, when feasible. One person would be the individual managing the log, and the second individual would be witness who could attest the payment was placed in a sealed envelope for mailing.
- The payments on hand should be routinely reconciled and the results documented. Reconciliation should be reviewed by an individual independent of persons with custodial or payment processing responsibilities.
- A “check out” log should be used for payments provided to someone other than the custodian, for later distribution to participants, or that are taken off-site (an example of such a log can be found on the RFS website). This may be to a lab in another building or off-campus.
- Collect and record SSN, Name and Address of participants in the payment log if required.

VII. Responsibilities

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| Department Personnel | <ul style="list-style-type: none">• Support the PI in the compliant distribution and after the fact reviews of human subject payments. |
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Research Financial Services Accountant	<ul style="list-style-type: none"> • Provide guidance to the University community on the compliant management of human subject expenses as it relates to sponsored activity
Principal Investigators	<ul style="list-style-type: none"> • PI must accept responsibility for knowing the applicable policies and assuring that they are followed
Research and Sponsored Programs	<ul style="list-style-type: none"> • Support the PI in the compliant development of a sponsored program budget when human subjects are involved.

VIII. Definitions

Institutional Review Board - The institutional review board, also known as an independent ethics committee, ethical review board, or research ethics board, is a type of committee that applies research ethics by reviewing the methods proposed for research to ensure that they are ethical.

Research - The systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions.

Human Subjects - Legally defined term for living persons about whom an investigator obtains specimens or data through direct interaction or intervention or through identifiable, private information.

Research Participants - A research participant, also called a human subject or an experiment, trial, or study participant or subject, is a person who voluntarily participates in human subject research after giving informed consent to be the subject of the research.

Non-Resident Aliens (NRAs) - An alien is any individual who is not a U.S. citizen or U.S. national. A nonresident alien is an alien who has not passed the green card test or the substantial presence test.

United States (US) Tax Resident - Your tax residency status depends on your current immigration status and/or how long you've been in the U.S. See below to determine whether or not you are considered a 'resident for tax purposes'. If you are not a U.S. citizen, you are considered a **'non-resident** for tax purposes' **unless** you meet the criteria for **one** of the following tests:

1: The “Green Card” Test

You are a 'resident for tax purposes' if you were a legal permanent resident of the United States any time during the past calendar year.

2: The Substantial Presence Test.

You will be considered a 'resident for tax purposes' if you meet the Substantial Presence Test for the previous calendar year. To meet this test, you must be physically present in the United States for at least:

- 31 days during the current year, and 183 days during the 3-year period that includes the current year and the 2 years immediately before that, counting:
 - All the days you were present in the current year, and
 - 1/3 of the days you were present in the first year before the current year, and
 - 1/6 of the days you were present in the second year before the current year.
- If total equals 183 days or more = Resident for Tax (*note exception below)
If total equals 182 days or less = Nonresident for Tax

Principal Investigator (PI)/Researcher - The individual responsible for the preparation, conduct, and administration of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project.

Incentive Payments - refers to giving employees bonuses or other forms of compensation in exchange for going above and beyond their normal duties.

Payment vs. Reimbursement - A “payment” is intended to compensate a research subject for their time, effort, inconvenience, etc. for participating in the research and is potentially taxable, while a “reimbursement” refers to reimbursement for direct expenses such as parking, taxi fare, mileage or meals, and is not taxable.

IX. References

Rutgers Research Regulatory Affairs (<https://orra.rutgers.edu/hssp>)

ClinCard (<https://recordings.join.me/TkeP1xO9BUeCIJbYWiwTgw>)

University’s Glacier Tax Portal (<https://global.rutgers.edu/glacier-tax-prep>)

Policy Library (<https://uhr.rutgers.edu/policies-procedures>)

Retention of Records for Sponsored Programs Policy
(<https://research.rutgers.edu/sites/default/files/2021-08/Record%20Retention%20FINAL.pdf>)

[Human Subjects Protection Program \(HSPP\)](#)