

Payments to Research Participants Guidelines

Guideline Steward: Human Subjects Working Group in coordination with Office of the Controller, Office of the Vice President for Finance and Chief Financial Officer, and the Institutional Review Board, and Division of Research

PURPOSE:

This *Payments to Research Participants Procedure* (the “Procedure”) outlines the options for payments to research participants by balancing IRS reporting regulations and the confidentiality obligations required by Institutional Review Board (“IRB”) for all studies involving human subjects.

GUIDELINE:

IRB approval for the use of human participants in research is always necessary, regardless of compensation level or method. No research can be conducted with human participants without such an approval. In order to obtain funding for research participant compensation or incentives, proof of IRB protocol approval is necessary. This Procedure applies to all research participants, including UMD employees.

PAYMENT OPTIONS:

The office handling payments to research participants depends on the type of incentive offered to the participant and approved by the IRB protocol.

Payments to human participants in research may only be made after an [approved MOU is in place](#). MOUs for cash, gift cards, or Working Fund check must be reviewed and signed by the PI, fund custodian, and College-level reviewer. By signing the MOU, the PI, fund custodian, and College-level reviewer certify they have a record of the IRB approval and consent form, and that there are sufficient funds (and sponsor approval where necessary) to proceed with human subjects research and compensation/incentivization. All submissions should be made electronically to workingfund@umd.edu, who will then review and sign the MOU.

NOTE: It is the responsibility of the PI and Custodian of the research project to collect and store the study payment information in accordance with the Office of Research Administration (“ORA”), research sponsor, IRB, Office of Human Research Protections (“OHRP”) and, if applicable, the Family Educational Rights and Privacy Act (“FERPA”), the Health Insurance Portability and Accountability Act (“HIPAA”) or similar privacy laws, regulations, and policies, as applicable. Information on these regulations and more can be found on the UMD [IRB website](#).

Cash:

Cash is the default method of payment for studies compensating individuals \$25 or less per visit. Cash is obtained via the Cashier’s Office.

The following documentation must be maintained within the department in order to sufficiently account for the funds:

- Participant receipts showing name and address for all payments of \$100 or less;
- Participant receipts showing name, address, and SSN for all payments more than \$100.
- Reconciliation documentation showing when cash was received, paid out, and the Cashier's Office receipt for any funds returned.

Above documentation must be kept in accordance with University record retention policies and may be required in case of audit. See note on page 1.

See Exceptions below.

Working Fund:

Check:

Check is an option for obtaining cash for studies which compensate individuals more than \$25 per visit. The PI and Fund Custodian can request a check from the Working Fund. Settlement/close out of the Working Fund check must be made either 60 days after the check is issued or as soon as possible after the check amount is depleted, whichever comes first. All Working Fund checks must be closed at the end of each Fiscal Year.

The following items must be submitted to the Working Fund office to close out the check no later than 60 days from the check issue date:

- Log showing anonymized participant numbers with the date and amount they were paid (if all payments are under \$100 or less); NOTE: individual participant receipts must be kept at the department in accordance with UMD (e.g., ORA), research sponsor, IRB, OHRP, and other applicable laws, regulations, policies, and guidelines.
- Participant receipts showing name, address, and SSN for all participant payments greater than \$100;
- A check made payable to the University of Maryland for any unused funds; and
- A memo signed by PI, Fund Custodian, and College Level Reviewer confirming that participant receipts have been collected and reconciled in accordance with these guidelines.

The above documentation, plus individual participant receipts, must be kept in accordance with University record retention policies and may be required in case of audit. See note on page 1.

Gift Cards:

Where gift cards are the method of payment to participants, the PI can obtain a check from Working Fund to purchase them. Settlement of the gift card purchase must be made either 60 days after the check is issued or as soon as possible after the check amount is depleted, whichever comes first. All Working Fund checks must be closed at the end of each Fiscal Year.

The following documentation must be submitted to the Working Fund office to close out the study no later than 60 days from the check issue date:

- Receipts for the purchase of the cards;
- A check made payable to the University of Maryland for any unused funds;
- If using E-Gift Card, a log with the e-code for each research participant; and
- Log showing anonymized participant numbers with the date and amount they were paid (if all payments are under \$100 or less); NOTE: individual participant receipts must be kept at the department in accordance with UMD (e.g., ORA), research sponsor, IRB, OHRP, and other applicable laws, regulations, policies, and guidelines.
- A memo signed by PI, Fund Custodian, and College Level Reviewer confirming that participant receipts have been collected and reconciled in accordance with these guidelines.

The above documentation, plus individual participant receipts, must be kept in accordance with University record retention policies and may be required in case of audit. See note on page 1.

The Working Fund and Cashier's office are not liable for any unused gift or prepaid cards. The Working Fund recommends that the Principal Investigator purchase these items on an as-needed basis.

EXCEPTIONS

It is the responsibility of the PI and Custodian of the research project to collect and store the study payment information in accordance with UMD (e.g., ORA), research sponsor, IRB, and OHRP guidelines, as well as any other applicable guidelines (e.g., HIPAA, FERPA, USM, State of Maryland). The term "guidelines" includes but is not necessarily limited to laws, regulations, policies, procedures, and contract/grant terms and conditions.

Research Participant Cash Payment Exception:

There are situations where a study cannot meet the participant-level documentation requirements (e.g., when participants must remain anonymous to all but the PI). In such situations, a Research Participant Cash Payment Exception form must be completed by the PI and approved by the Department Head prior to the disbursement of funds by the Working Fund and Cashier's Office.

For payments greater than \$100, the participant must provide their name, address and SSN.

Sponsor Provided Payments:

The University prefers that all payments issued to participants follow this Procedure. However, if the research sponsor wishes to use an outside entity to issue payments to participants, then it will be the responsibility of the research sponsor to manage the 1099 reporting to the IRS. Payment would be issued in the name of the research sponsor, not the University. Gift cards provided by research sponsors are permitted but must be for \$100 or less. Gift cards of a higher amount would require that the sponsor be listed as the payee responsible for all 1099 reporting.

Payment Handling:

The Principal Investigator and/or Fund Custodian are responsible for maintaining any cash, gift card, prepaid cards, and e-codes in a secure location until distributed to participants.

Contact Information:

For questions or additional information regarding this guidance, please contact the IRB office at irb@umd.edu.