

Human Subject Incentive Payment Policy

Introduction

The goals of this document are to define the requirements for paying human subjects and outline the tax reporting implications related to the payment of human subjects at Haverford College. Individuals conducting research studies at Haverford College that compensate human subjects must collect and document all personal information as necessary to comply with IRS tax-reporting regulations. This policy applies to all payment forms issued as compensation to a subject.

All plans developed for human subject compensation must be included in the protocol reviewed and approved by the Haverford College Institutional Review Board (IRB). The IRB is responsible for reviewing and approving protocols that involve research subjects. The informed consent document must include a statement regarding collecting personal information if the subjects are to receive compensation.

Scope

This policy applies to any member of the Haverford College community who initiates, approves, or conducts research studies that pay human subjects as compensation for their time and effort as part of a research study. Incentive payment options include cash, gift cards, e-gift cards, and in-kind items.

Policy

A. Compliance:

Human subject incentive payments must comply with the requirements of the Institutional Review Board (IRB), the Internal Revenue Service (IRS), and Haverford College Purchasing and Payment Services policies.

B. Accounting for Human Subject Payments:

The Principal Investigator is responsible for accounting for the total dollar amount distributed for human subject incentive payments, validating the payments are distributed to an actual study subject(s), notifying the Controller's Office if a Human Subject reaches the \$600 threshold and verifying that the payments are processed in accordance with college policy.

C. Online Survey Tools / Crowdsourcing Platforms (**Highly Encouraged**):

Third party crowdsourcing sites, such as Amazon Mechanical Turks (m-Turks) Prolific, etc., help recruit human subjects to take part in the College's studies. It is the responsibility of the third party to distribute payments to human subjects and collect their tax information. This approach has the least administrative effort but must be approved by IITS and the Controller's Office to ensure that proper security, privacy, and compliance protocols are in place.

The preferred method of payment for the Principal Investigator (or designee) to fund a third party is the College credit card (PCard). At the completion of the study, the PI (or designee) must reconcile the pre-payment with the total paid as evidenced by a summary or activity report. Any residual funds must be reimbursed to the College prior to the end date of the sponsored award.

D. Reimbursement Policy:

Using personal funds with reimbursement is not allowed. All payments should be made via the WorkDay system (see Procedure section below for details) to decrease the risks of noncompliance with tax reporting rules and payments before official approval of IRB protocols.

E. Anonymity:

Certain research requires human subjects to remain anonymous. This exception requires documented approval from the IRB. To protect the privacy of subjects and the confidentiality of data, standard payment procedures are waived; however, the total payments to any individual subject participating in the confidential study cannot be equal to or greater than \$600.

F. Incentive Payments Under \$100:

Incentive payments less than \$100 per subject typically do not require a Social Security Number or W-9 Request for Taxpayer Identification and Certification or citizenship status.

G. Incentive Payments Over \$100:

When incentive payments are more than \$100 per human subject, the Principal Investigator or an authorized delegate must obtain information about citizenship for tax purposes.

H. Payments to Employees:

Incentive payments made to subjects who are also employees are treated the same as payments to subjects who are not employees unless an employer/employee relationship exists within the study or participation are limited to employees only. In such rare cases, these payments, regardless of the amount, are processed as a OneTime Payment in Workday and are reported on Form W-2, Wage, and Tax Statement and subject to income tax and Medicare withholdings.

Procedures

USE THE SPEND CATEGORY: **INCENTIVE PAYMENTS** FOR ALL SPEND AUTHORIZATIONS, PCARD VERIFICATIONS, AND SUPPLIER INVOICE REQUESTS.

Haverford College issues U.S. Citizens/Permanent Residents IRS Form 1099-MISC for taxable payments totaling \$600 or more in a calendar year. The PI must notify Accounts Payable at hc-ap@haverford.edu if they pay a subject over \$600 from Haverford College per calendar year.

All records must be kept in accordance with Haverford College's record retention policies.

The Principal Investigator must also account for unused cash or gift cards and maintain cash/gift cards in a secure location or return them to the Controller's Office.

Incentive Payments Under \$100

- In-kind items and e-gift cards should be purchased with a College credit card (PCard). Substantiation must include IRB's approval of the spending.
- For gift cards and cash payments, please follow the procedures for creating a Spend Authorization. Haverford's Create Spend Authorization Job Aid is located on our website, <https://www.haverford.edu/work/financial-system>.

Incentive Payments Over \$100 to US Citizens/Permanent Residents

- Incentive payments equal to or greater than \$100 per subject require the use of a Supplier Invoice Request processed in Workday and will be issued as an ACH direct deposit or check. These payments require the subject to be set up as a supplier through the supplier portal and require a W-9 Request for Taxpayer Identification and Certification and PA Rev 1832.

Incentive Payments Over \$100 to Foreign Nationals

Services performed in the United States

- Subjects require the use of Supplier Invoice Request processed in Workday and will be issued as an ACH direct deposit, check, or wire. These payments are reported to the IRS on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. Once the PI invites the subject to be a supplier in WD, the subject will be invited to complete the applicable documents via Sprintax. .
 1. Required- IRS Form W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Withholding
 2. Optional- IRS Form 8233 Exemption Form Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual.

Services performed outside of the United States

- Incentive payments made to Foreign National subjects for services performed outside of the U.S. require using a Supplier Invoice Request processed in Workday and will be issued as an ACH direct deposit, check, or wire. These payments require the subject to be set up as a supplier through the supplier portal and require them to sign the [Certificate of Foreign Source Income](#). It is the responsibility of the human subject to determine whether they may be liable for taxes in another jurisdiction, to file the appropriate tax forms, and to make any tax payments due.
- IRS Form W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Withholding can be manually prepared by the subject. Once the PI invites the subject to be a supplier in WD, the subject will be invited to complete the applicable document via Sprintax.

Create Supplier Invoice Request

Haverford's job aid to Create Supplier Invoice Request is located on our website, <https://www.haverford.edu/work/financial-system>. Please note that in order to submit your request, the subject must be registered in Workday as a supplier.

- Haverford Students self-enroll using the Student Registration Portal: <https://www.haverford.edu/controllers-office/student-accounts/new-studentpayment-registration>

- Non-Students are invited to register by the Principal Investigator or an authorized delegate:
https://enterprise.haverford.edu/cgibin/trico/workday/request_for_supplier/request.pl See the related presentation, *Process to Create a Supplier Request*, on our website <https://www.haverford.edu/work/financial-system>
- Please email purchasing@haverford.edu if you need help registering a Supplier in Workday.

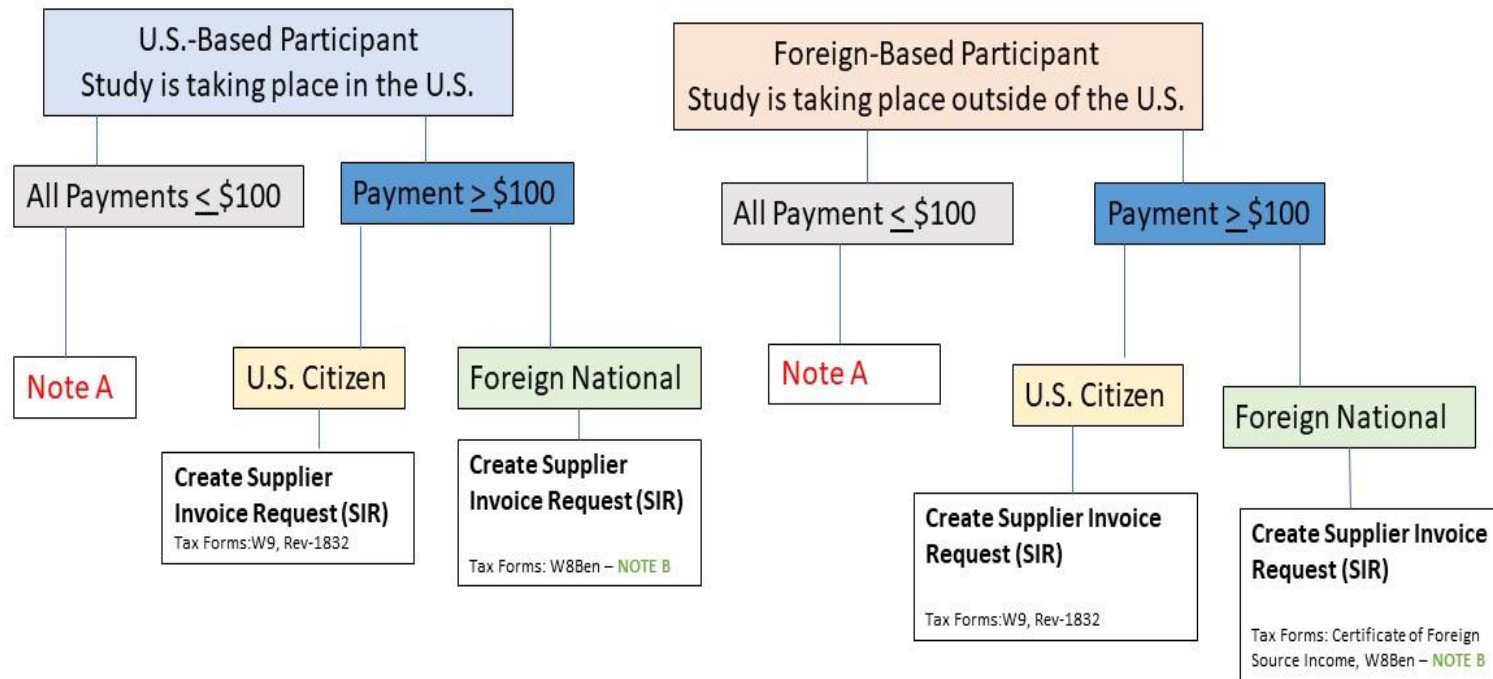
Definitions

- Amazon Mechanical Turks (m-Turk) - A crowdsourcing Internet marketplace where the university may submit a Human Intelligence Task (HIT), such as a survey for research, and be able to pay individuals for participation directly from Amazon.
- Foreign National - An individual who is a citizen of any country other than the United States.
- Human Subject/Subject - Living individual(s) about whom an investigator conducting research obtains data through intervention or interaction with the individual or identifiable private information.
- In-kind Item - Payment consisting of something other than money (such as goods or commodities)
- Institutional Review Board (IRB) - An administrative body established to protect the rights and welfare of human research subjects recruited to participate in research activities conducted under the auspices of the institution with which it is affiliated.
- Principal Investigator (PI) - Individual (including Project Principal Investigators, CoPrincipal Investigators, and Co-Investigators) responsible for the design, conduct or reporting of the research project or proposed research project.
- Payment - The compensation human subjects receive for their time and effort involved in participating in a study. Payment can take the form of cash, pre-loaded payment card, gift card, paper check, ACH direct deposit, or any in-kind item with monetary value.
- Prolific - On-demand, self-service data collection. Prolific helps recruit high quality research participants to take part in the College's study, survey, or experiment.
- Sprintax Calculus - A tool that helps to ensure that foreign nationals are taxed correctly on income earned in the U.S. so the correct amount of taxes are withheld from earnings and reported to the IRS.
- U.S. Citizen/Permanent Resident - A person who is subject to United States tax reporting rules including U.S. citizens, permanent residents, and resident aliens satisfying the substantial presence test.

Related Resources

- Haverford's Institutional Review Board (IRB) for Human Subjects Research:
<https://www.haverford.edu/provost/committees-and-reports/irb>
- Spend Authorization Job Aid: <https://www.haverford.edu/work/financial-system>
- Create Supplier Invoice Request Job Aid:
<https://www.haverford.edu/work/financial-system>
- Process to Create a Supplier Request presentation:
<https://www.haverford.edu/work/financial-system>
- Certificate of Foreign Source Income:
Individual:
<https://www.haverford.edu/sites/default/files/Office/Controller/Certificate-of-Foreign-Source-Income-Individual.pdf>
Organization:
<https://www.haverford.edu/sites/default/files/Office/Controller/Certificate-of-Foreign-Source-Income-Organization.pdf>
Student Supplier Registration:
<https://www.haverford.edu/controllersoffice/student-accounts/new-student-payment-registration>
- External Supplier Registration:
[https://enterprise.haverford.edu/cgi-bin/trico/workday/request for supplier/request.pl](https://enterprise.haverford.edu/cgi-bin/trico/workday/request%20for%20supplier/request.pl)

Appendix I
Human Subject Payments Policy Decision Tree *



* Decision Tree is not applicable for Online Survey Tools/ Crowdsourcing Platforms.

Note A: Haverford College issues U.S. Citizen/ Permanent Residents IRS Form 1099-Misc for taxable payments totaling \$600 or more in a calendar year. The PI must notify Accounts Payable at HC-AP@haverford.edu if their Human Subject receives over \$600 from HC in a calendar year.

Note B: All tax forms will be collected via Sprintax.

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Sponsor: Linda Strong-Leek, Provost

Contact the Controller's Office with any questions.