



# HENDRIX

## HENDRIX COLLEGE ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL FOR PAYMENT FOR RESEARCH PARTICIPATION<sup>1</sup>

<b>I. Policies and Procedures.....</b>	<b>2</b>
<b>II. Cash Advance for Research Participation Form.....</b>	<b>5</b>
<b>III. Research Participant Payment Record Forms</b>	
<b>a. Hendrix Student Participants.....</b>	<b>6</b>
<b>b. Non-Student Participants.....</b>	<b>7</b>
<b>c. Location of Electronic Forms.....</b>	<b>8</b>
<b>IV. Checklist for Payment of Research Participants.....</b>	<b>9</b>

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<sup>1</sup> Adapted from DePauw University Documents

Policy effective June 1, 2016



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## HENDRIX COLLEGE ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL PAYMENT FOR RESEARCH PARTICIPATION<sup>2</sup>

### **POLICY AND PROCEDURES FOR THE PAYMENT OF RESEARCH PARTICIPANTS**

This policy details the process for the payment of compensation to human participants in research projects at Hendrix College. College faculty and staff have the legal obligation to both maintain confidentiality of individuals who take part in College research studies and satisfy the demands of financial accountability. Therefore, this payment process has been designed to maintain research participant confidentiality to the extent possible under the law, while meeting Internal Revenue Service (IRS) reporting requirements and conforming to The College's standard accounting and payment practices. This policy and the associated procedures are administered by the Office of Academic Affairs in conjunction with the Business Office.

#### **Process Goals**

The method of compensation set forth in this document is designed to achieve the following goals:

- Ensure the confidentiality of research participants.
- Provide timely, convenient compensation to participants to facilitate, not hinder, the study.
- Provide sufficient financial documentation for The College's records and for IRS purposes.
- Provide sufficient documentation that compensation was provided to research participants as incentive to participate in a study.
- Ensure that appropriate internal controls and adequate safeguards exist for items of value used to compensate, whether cash, checks, or other.

#### **Organizational Responsibilities**

**The Principal Investigator (PI)** is responsible for the justification of participant compensation in the research protocol that must be submitted, reviewed, and approved by the **Human Subjects Review Board (HSRB)** prior to performing the research. The protocol must specify the amount of payment and the proposed method and timing of disbursement of all payments. The PI is also responsible for the accountability of funds received and disbursed to research participants.

**The Academic Affairs Office** is charged with the responsibility for oversight and approval of payments to research participants from College administered funds. The Academic Affairs Office is responsible for working closely with the Business Office to ensure that all financial records and reporting meet the highest standards of financial accountability and are allowable on the specific sponsored program contracts and grants.

#### **Limitations, Restrictions, and Special Considerations**

##### **1. Prior Approval**

Any research project that will include human participant payments must have the prior approval of the Human Subjects Review Board.

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<sup>2</sup> Policy effective June 1, 2016

## 2. IRS Regulations

The Internal Revenue Service (IRS) requires human subject payments aggregating \$600 or more paid to an individual during a calendar year to be reported on Form 1099-MISC, Miscellaneous Income. Aggregate payments to participants in approved studies must be carefully tracked to ensure compliance with this requirement, which will be done by the Office of Academic Affairs.

## 3. Payments to Hendrix College Employees

Any payments to participants who are Hendrix College employees (including student workers) must be processed through payroll and reported to the IRS as W-2 wages.

## 4. Payments to Non-Resident Foreign Nationals

There are various tax and policy issues that must be addressed regarding payments to known non-resident foreign nationals (including foreign students). Payments made to human participants who are nonresident nationals less than \$50 should be paid through policies and procedures in this policy. ***Researchers anticipating payments to non-resident foreign nationals in excess of \$50 should contact the Academic Affairs Office for guidance prior to making such payments.*** All payments to nonresident foreign nationals are subject to up to 30% federal income tax withholding.

### Forms of Payment:

There are four types of payments that may, if approved by the Academic Affairs Office, be used as incentives for participating in research.

#### a. Hendrix College OneCard

For payments of \$50 or less PIs may deposit funds on the participant's OneCard for use at vendors on campus and in the Hendrix Village. Deposits to the Hendrix College OneCard are not considered compensation and are not subject to income tax.

#### b. Gift Cards & Gift Certificates

Using negotiable items, such as gift cards or gift certificates, requires very strict accountability. The IRS considers gift cards/certificates to be cash equivalents; thus, the same tax issues apply to these as with cash payment. Therefore, these negotiable items must be treated like cash, and PIs are accountable for their safekeeping and appropriate documentation of their distribution to participants. PIs must purchase gift cards and gift certificates either 1) using a Hendrix College corporate credit card or 2) through the Office of Academic Affairs. See the "Procedures – Cash, Gift Cards, & Gift Certificates" for further information.

#### c. Cash

PIs may obtain a cash advance from the Office of Academic Affairs. Each research project Cash Advance request should not normally exceed the sum of \$500 without the approval of the Academic Affairs Office. See the "Procedures – Cash, Gift Cards, & Gift Certificates" for further information.

#### d. Payments via College Check

Participants may be paid by issuing a check request to The College Business Office. For studies that anticipate payment to participants via College check, the following information must be included in the informed consent: *"Personal information about me, including my name, address, and social security number, may be released to the College for the purpose of payment and for tax reporting to the Internal Revenue Service (IRS), if necessary."* Note that before a new vendor (in this case, "vendor" refers to the research participant) will be added, a Form W-9 must be obtained. Accordingly, issuing a College check to a research participant might present a confidentiality issue and care should be exercised to avoid a breach in confidentiality in this case.

### Procedures – Cash, Gift Cards, & Gift Certificates

1. PIs may either purchase gift cards or gift certificates using their Hendrix corporate credit card and following normal payment procedures OR may request cash from the Office of

Academic Affairs using the *Cash Advance for Research Participation* form. If option 1 is used, the credit card should be used to make the purchase and then the bill should be paid following normal college procedures. If option 2 is used, PIs must request cash from the Office of Academic Affairs using the *Cash Advance for Research Participation* form. This will include the title of the research, anticipated dates, number of participants, and amount to be paid. The anticipated dates and number of participants are for planning purposes only.

2. During the conduct of the research, for Hendrix Student participants, PIs need to record the participant's name, date, amount of payment, and signature of the recipient on the *Research Participant Payment Record* form for Hendrix Students; for non-student participants, PIs need to record the participant's full legal name, their social security number, their permanent address, date, amount of payment, and signature of the recipient on the *Research Participant Payment Record* form for nonstudents (these forms follow at the end of this document). **This form is a formal financial record and should be returned to the Academic Affairs Office within two weeks of project completion.** The PI should also complete and turn in the electronic version of this form at the same time (the electronic version of the form can be found at <https://www.hendrix.edu/facultyresources/>).
3. If the study has ended and all of the allocated funds have not been paid to participants, the balance must be returned for re-deposit into the account. If the study is to continue and additional funding is needed, the existing cash advance or gift card/certificate amount must be reconciled prior to the release of the additional funds.

#### **Procedures – Payments by College Check (this option will only be used if you are not paying participants by cash, gift card, or gift certificates)**

1. PIs must complete a *Current Fund Payment Request* form for the Business Office. For the request type, please select "Contract Labor." This form should be signed by the PI and include the payee name and address, nature of the research, anticipated dates, and amount to be paid. A copy of the *Research Participant Payment Record* form should be attached to this form when check request is made as a form of proof of participation.
2. During the conduct of the research, for Hendrix Student participants, PIs need to record the participant's name, date, amount of payment, and signature of the recipient on the *Research Participant Payment Record* form for Hendrix Students; for non-student participants, PIs need to record the participant's full legal name, their social security number, their permanent address, date, amount of payment, and signature of the recipient on the *Research Participant Payment Record* form for nonstudents (these forms follow at the end of this document). **This form is a formal financial record and should be returned to the Academic Affairs Office within two weeks of project completion.** The PI should also complete and turn in the electronic version of this form at the same time (the electronic version of the form can be found at <https://www.hendrix.edu/facultyresources/>).

#### **Annual Reporting to the Business Office**

Each calendar year by January 15<sup>th</sup>, the Office of Academic Affairs will send a list of all payments made during the previous year to the Business Office to determine whether issuing 1099-MISC forms are required for any participants. Along with the research participant payments, the College might have other 1099-MISC qualified items that have been processed by the Business Office.



# HENDRIX

## Hendrix College Cash Advance for Research Participation

Name: \_\_\_\_\_ Campus Address: \_\_\_\_\_

Email: \_\_\_\_\_

Project Title: \_\_\_\_\_

Anticipated Dates: \_\_\_\_\_

Student: \_\_\_\_\_ Faculty: \_\_\_\_\_ Staff: \_\_\_\_\_

**For CASH payment to participants:**

Number of participants: \_\_\_\_\_

Amount to be paid to each participant: \_\_\_\_\_

Total Cash Advance Amount Received: \_\_\_\_\_

**For GIFT CARD/CERTIFICATE payment to participants:**

Vendor for Gift Cards/Certificates: \_\_\_\_\_

Number of Gift Cards/Certificates: \_\_\_\_\_

Amount of each Gift Card/Certificate: \_\_\_\_\_

Total Cash Advance Amount Received: \_\_\_\_\_

I understand that this advance is a loan to me so that I do not have to use personal funds for expenses incurred in conducting official College business. I also understand that I must file the required *Research Participant Payment Record* form (electronically and in hard copy with signatures) within two weeks of completion of the project or prior to any additional disbursement of funds to pay participants for this project. If this advance is not cleared within one month, I authorize the Business Office to deduct any uncleared portion from my next payroll check (for Hendrix employees) or charge my student account (for Hendrix students) unless approval of an extension is granted by the Academic Affairs Office.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_





# HENDRIX

## Research Participant Payment Record NONSTUDENT PARTICIPANTS

Research Project	
Principle Investigator	
E-mail Address	
Dates of Project	

By signing this form, I acknowledge that I have received the given amount as an incentive for participating in this research project.

This information will be kept secure and confidential in The College files, but may be reviewed by State or internal auditors.

<b>Full Legal Name (print legibly)</b>	<b>Social Security Number</b>	<b>Permanent Address</b>	<b>Signature</b>	<b>Amount</b>	<b>Date</b>



**HENDRIX**

**Electronic Research Participant Payment Record**

**Digital version of file can be found on Faculty Resources web page at**  
<https://www.hendrix.edu/facultyresources/>



# HENDRIX

## Checklist for Payment of Research Participants

- \_\_\_\_\_ Get protocol approval from Human Subjects Review Board following normal procedures.
- \_\_\_\_\_ Pay attention to variations in tax withholdings for non-resident foreign nationals (including international students). Be sure they are aware of these withholdings before they participate.

### ***If you are paying participants CASH:***

- \_\_\_\_\_ Fill out “Hendrix College Cash Advance for Research Participation” and return to the Academic Affairs Office.
- \_\_\_\_\_ Make copy of appropriate (student or non-student participants) “Research Participant Payment Record” and have participants fill it in when they receive payment.
- \_\_\_\_\_ At end of study fill out electronic version of the *Research Participant Payment Record* form found at <https://www.hendrix.edu/facultyresources/> and e-mail to Academic Affairs.
- \_\_\_\_\_ Turn in hard copy of the *Research Participant Payment Record* to Academic Affairs within one month of cash advance unless extension is granted by Academic Affairs.
- \_\_\_\_\_ Return any unused cash using the *Current Fund Payment Request* form. For the request type, please select “Clearing of Cash Advance.”

### ***If you are paying participants GIFT CARDS/CERTIFICATES:***

- \_\_\_\_\_ Buy gift cards/certificates with a Hendrix corporate credit card if you have access to one. OR Fill out “Hendrix College Cash Advance for Research Participation” to receive cash to buy the incentives and return to the Academic Affairs Office.
- \_\_\_\_\_ Make copy of appropriate (student or non-student participants) “Research Participant Payment Record” and have participants fill it in when they receive payment.
- \_\_\_\_\_ At end of study fill out electronic version of the *Research Participant Payment Record* form found at <https://www.hendrix.edu/facultyresources/> and e-mail to Academic Affairs.
- \_\_\_\_\_ Turn in hard copy of the *Research Participant Payment Record* form to Academic Affairs within one month of cash advance unless extension is granted by Academic Affairs.
- \_\_\_\_\_ Return any unused gift cards/certificates using the *Current Fund Payment Request* form. For the request type, please select “Clearing of Cash Advance.”
- \_\_\_\_\_ IF you used a Hendrix Corporate credit card, pay credit card bill following normal procedures

### ***If you are paying participants by CHECK:***

- \_\_\_\_\_ Make copy of appropriate (student or non-student participants) “Research Participant Payment Record” and have participants fill it in after their participation is complete. At that time, in the column titled “Amount” indicate “*to be paid by check \$XX*”.
- \_\_\_\_\_ Have participants complete W-9 forms when their participation is complete.
- \_\_\_\_\_ Complete a “Current Fund Payment Request” form for the Business Office for each participant. For the request type, select “Contract Labor.” A copy of the “Research Participant Payment Record” should be attached to this form when check request is made.
- \_\_\_\_\_ At end of study, fill out electronic version of the *Research Participant Payment Record* form found at <https://www.hendrix.edu/facultyresources/> and e-mail to Academic Affairs.
- \_\_\_\_\_ Turn in hard copy of the *Research Participant Payment Record* to Academic Affairs Office within one month of study end unless extension is granted by Academic Affairs.