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, the Institutional Review Board, and Division of Research.

I. PURPOSE:

This Payments to Research Participants Procedure (the "Procedure") outlines the most common 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.

II. 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 approval. 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.

III. 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 Memorandum of Understanding ("MOU") is in place. MOUs must be reviewed and signed by the PI, fund custodian, unit administrative director, and College-level reviewer. By signing the MOU, all individuals 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.

Electronic Payments:

There are a variety of electronic payment platforms available to researchers for paying research participants. These are primarily handled at the department level, so researchers should work with their departmental research administrators to understand the options available to them.

Working Fund:

Process for requesting a Working Fund advance:

The process steps for requesting an advance are below. However, each College has additional guidelines and rules for working fund advances. Prior to requesting an advance, speak with your departmental administrator to determine what applies.

- ☑ The fund custodian must complete (in Workday) the Add Payment Election task. This task cannot be delegated and must be completed by the individual who is named as the fund custodian on the MOU. This task only needs to be completed once and will allow UMD to deposit money into the individual's account for human subject payments via working fund and for travel advances. It is up to the PI or fund custodian to update any changes to their personal information in the Add Payment Election form as needed.
- ☑ Once the payment election and MOU are completed, a departmental administrator can begin the working fund request. In Workday, navigate to the "Maryland Procurement & AP" dashboard. Choose "Request a Payment," then "Working Fund Requests," and in the request type field choose "All Other Working Fund Requests."

**The form requests a variety of information, most of which should already be in the MOU itself. The MOU must be uploaded with this form for the WF to process the request.

Any details or comments regarding the request should be outlined in the “Description” field of the “All Othe Working Fund Requests” form. The comments section at the bottom of the form is not visible after the form has been submitted.

Other options for participant payments include online survey companies, travel, and non-cash compensation. These are outlined in the Research Participant Payment Matrix.

Check or ACH Payment:

Working Fund is the default option for studies which compensate individuals in cash. The PI and Fund Custodian can request a check or ACH Payment (direct deposit) 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. If participants receive more than $100, the log must affirmatively indicate that the participant SSN has been collected on the payment receipt.
- ☑ 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 including the participant’s name, address, and SSN (if payment is over $100), must be kept in accordance with university record retention policies and may be required in case of audit. Research participant receipts should not be submitted to the University Working Fund or the State except in case of audit. The identity of research participants and the fact of their participation in a university-sponsored research study should be closely guarded in keeping with confidentiality requirements of the IRB.

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 issuance 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. If participants receive more than $100, the log must affirm that the participant SSN has been collected on the payment receipt.
- ☑ 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 including the participant's name, address, and SSN (if payment is over $100), must be kept in accordance with university record retention policies and may be required in case of audit. Research participant receipts should not be submitted to the University Working Fund or the State except in case of audit. The identity of research participants and the fact of their participation in a university-sponsored research study should be closely guarded in keeping with confidentiality requirements of the IRB.

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, rather than all at once.

IV. 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 (irb@umd.edu) or the Human Subjects Working Group (hswg-admin@umd.edu).