Human Subject Participation Payment Policy

Responsible Administrator: Vice Chancellor for Finance and Chief Financial Officer
Responsible Office: Controller’s Office / Purchasing and Payment Services
Policy Contact: Senior Director, Purchasing & Payment Services

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1. Policy Statement
The goal of this document is to outline the tax reporting requirements related to the payment of human subjects at Vanderbilt University. Individuals conducting Vanderbilt research studies that compensate human subjects must collect and document all personal information as necessary to support IRS tax-reporting regulations. This policy applies to all payment forms issued as compensation to a participant.

2. Scope
This policy applies to any member of the university community who initiates, approves, or conducts human research studies that provide payment to human subjects as compensation for their time and effort as part of a research study.

3. Definitions
Foreign National – An individual who is a citizen of any country other than the United States.

Human 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.
**Principle Investigator (PI)** – Individual (including Project Principal Investigators, Co-Principal 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, electronic funds transfer (ACH), or any in-kind item with monetary value.

**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.

4. **Policy**

   a) Human subject participation payments must comply with the requirements of the Institutional Review Board, the Internal Revenue Service, and Vanderbilt Purchasing and Payment Services policies.

   b) The Principal Investigator and Study Administrator are responsible for accounting for the total dollar amount distributed for human subject payments, validating the payments are distributed to an actual study participant, and verifying that the payments are processed in accordance with university policy for their respective studies.

   c) Payments to human subject participants made by an individual using personal out of pocket funds will not be reimbursed.

   d) U.S. Citizen/Permanent Resident human subject participants:

      • Payment options for amounts less than $300 include petty cash, pre-paid debit cards, gift cards, or in-kind items. These payments do not require a Social Security Number or W-9 Request for Taxpayer Identification and Certification.

      • Payments equal to or greater than $300 require payment through the Non PO payment process in Oracle creating an electronic funds transfer or a check if all electronic options are exhausted. These payments require a W-9 Request for Taxpayer Identification and Certification.

   e) Payments to a Foreign National require payment through the Non PO payment process in Oracle creating an electronic funds transfer or a check if all electronic options are exhausted. These payments require reporting to be in accordance with home-country taxation laws and the following documents must be attached to the supplier request in Oracle:

      • IRS Form W-8BEN (Certificate of foreign Status of Beneficial Owner for United States Withholding);
      • A Foreign National Information Form (FNIF); and
      • Copies of visa, passport or I-94 card.

   f) Vanderbilt University issues U.S. Citizen/Permanent Residents IRS Form 1099-MISC for taxable payments totaling $600 or more in a calendar year.
5. Responsibility Matrix

<table>
<thead>
<tr>
<th>Activity</th>
<th>Principal Investigator</th>
<th>One Card Cardholder</th>
<th>International Tax Office</th>
<th>Payment Services Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible for maintaining all supporting documentation associated with payments to subject participants.</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible for determining tax withholding and reporting requirements for non-resident payees</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible for reporting all subject participation payments to Payment Services</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible for ensuring appropriate internal controls are in place to safeguard the issuance of cash and gift cards, or other in-kind forms of compensation to a participant.</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible for issuing IRS Form 1099-MISC to qualifying subject participants</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>