

ADMINISTRATIVE POLICY

Human Subject Participation Payment Policy

Approval Authority:	Vice Chancellor for Finance	Originally issued: August 2019
Responsible Administrator:	Controller	
Responsible Office:	Controller's Office / Purchasing and Payment Services	Current version effective as of: December 2019
Policy Contact:	Senior Director, Purchasing & Payment Services	

POLICY STATEMENT/REASON FOR POLICY

The goals of this document are to define the requirements for paying human subject participants and outline the tax reporting implications 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.

THIS POLICY APPLIES TO

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.

POLICY

A. Compliance:

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. Accounting for Human Subject Payments:

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. Reimbursement Policy:

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

D. U.S. Citizen/Permanent Human Subject Participants:

Payment options for amounts less than \$300 include cash advance, 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:

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 U. S. taxation laws and the following documents must be attached to the supplier request in Oracle:

1. IRS Form W-8BEN (Certificate of foreign Status of Beneficial Owner for United States Withholding)

F. Required Forms:

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

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.

Principal 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.

PROCEDURES

Activity	Principal Investigator	One Card Cardholder	International Tax Office	Payment Services Team
Responsible for maintaining all supporting documentation associated with payments to subject participants.	✓			
Responsible for determining tax withholding and reporting requirements for non-resident payees			✓	
Responsible for reporting all subject participation payments to Payment Services	✓			
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.	✓	✓		
Responsible for issuing IRS Form 1099-MISC to qualifying subject participants				✓

FREQUENTLY ASKED QUESTIONS

N/A

ADDITIONAL CONTACTS

Subject	Contact	Office	Phone	Email
Human Subject Participation	Finance	Purchasing and Payment Services	(615) 343-6601	PaymentCardsExp@vanderbilt.edu

RELATED POLICIES/DOCUMENTS

Human Subject Participation Payment Procedures

Travel & Expense Policy

Cash Advance & Gift Card Request

One Card Policy

Cash Advance & Gift Card Tax Tracking

HISTORY

Issued: August 2018
Reviewed: December 2019
Amended: December 2019

Procedures Website

<https://finance.vanderbilt.edu/procedures-forms/index.php>

FAQ Website

N/A