

Buying Manual

Subject: Purchases with Special Procedures

Title: Human Research Participant Payments

Number: 630

Issued: February 15, 2023

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Human Research Participant Payments

Cornell University often conducts research projects that involve the use of individuals, i.e., human participants (also known as human subjects). Payments to human participants may be made in the form of check, petty cash, or gift cards depending on the circumstances of the study and the dollar amounts involved. The university permits payments and incentives under the following conditions:

- Payments over \$100
 - Payments to human participants over \$100 per occurrence **must** be paid directly to the individual via university check.
 - Gift cards, gift certificates or in-kind payments over \$100 per occurrence are **not permitted** as remuneration for participation in a research study.
- Payments of \$100 or less
 - Human participant payments \$100 and under per occurrence may be processed via university check or other methods including petty cash, gift cards or in-kind payments.

No payment process can give confidential or personally identifiable information about the human participants to persons not entitled to receive it by an approved IRB protocol. Names, signatures, physical addresses, email addresses, and other similar information is personally identifiable information. Other information may be confidential. Any method of payments to a human participant must be described in the approved IRB protocol for the study. Any method of payment that requires personally identifiable information or other confidential information to be revealed in any way can be used only if a statement explaining the need to reveal the information is included in the Informed Consent Form for the study.

Covered Parties

This policy applies to all Principal Investigators (PI) and any other individual conducting research that involves monetary remuneration to human participants.

Tax Reporting

In order to fulfill the University's tax reporting responsibilities with the Internal Revenue Service (IRS), the University is obligated to obtain certain required information from the human participant if they will be paid \$600 or more in a calendar year. The University is obligated to report to the IRS on Form 1099 all U.S. Citizens and Resident Aliens receiving cumulative payments greater than \$600 annually and on Form 1042S all Nonresident Alien payments regardless of dollar value. If it is unclear if a person is a resident or nonresident alien, the required foreign national forms should be collected and sent to the Tax Office for a determination.

Please see the Summary of Payment Options and Processing Requirements for Human Research Participants table at the end of this buying manual section. The following information is currently required to be reported to the IRS for each human participant receiving remuneration of \$600 or more in a calendar year:

- Full legal name
- Status as a U.S. citizen, permanent resident, or resident alien for U.S. tax purposes
- Social security number (SSN) or individual taxpayer identification number (ITIN)
- Permanent legal address
- Mailing address (if different)

Informed Consent Form

The informed consent form for all studies that involve remuneration of \$600 or more, including confidential studies, shall disclose these IRS compliance requirements in a manner approved by the IRB.

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If identifiable information will be sent to Cornell University departments (service center, Payment Services, etc.), this too, must be disclosed in the consent form. See the Cornell [IRB informed consent templates](#) for sample language to use.

Confidential Studies

With the understanding that all research studies involving human participants should protect the privacy and confidentiality of the participant, some studies are of a more sensitive nature and may require careful consideration of the payment method regardless of dollar amount. Consult the IRB to determine if your study is eligible for an exception on the payment method and/or documentation requirements for payments over \$100. If the exception is approved, the IRB staff will provide an email to document the approved exception.

Generally, the procedures for obtaining the funds for payment are as described below in “Paying Human Participants” and payments may not be made in the total amount of \$600 or more to any human participant in a single calendar year unless arrangements are made to obtain the required information described below.

Reimbursements

Reimbursements for actual travel expenses (e.g., parking, mileage, tolls, etc.) to human participants are not considered compensation by the University or the IRS and can be processed as non-employee reimbursement using the appropriate object code. Cornell is not required to report these reimbursements as income to the IRS; therefore, these funds are not part of the \$600 threshold for tax reporting.

The research unit may pay on-campus Park Mobile payments for research participants with a travel and meal credit card. All travel related reimbursements must follow university policy 3.2, Travel Expenses. Typically, travel reimbursements are processed via check or petty cash.

Required Information

Regardless of the form of payment and type of study, the information listed below is required to be captured by the Principal Investigator (PI) as part of the research record supporting payment to all human participants. Payment documentation should be stored separately from research data.

- Date of study and remuneration
- Type of disbursement (e.g., check, cash, gift card)
- Amount of disbursement
- Individual disbursing payment
- Human participant’s name (non-confidential studies) or identification number (confidential studies)
- IRB protocol number
- IRS Form W-9 or W-8BEN for check payments over \$100

Paying Human Participants

- **Form of Payment: University Check**
 - Mechanism for Payment: I Want Document (Disbursement Voucher)
 - Preferred Method When: Payment by university check is the required method for all payments over \$100 unless an exception has been granted for highly confidential studies.
 - Process Requirements:

- Complete an I Want document. Include the payee’s name, address, and email address and payment amount. (Note: Informed Consent Disclosure must state that this information will be revealed.)
 - The PI has the discretion to collect either the W-9/W-8BEN form or an email address. The service center can use the email address to send an electronic registration invitation to the human participant.
 - Reference the IRB number in the business purpose. Business purpose should state: “Confidential study [date]; IRB Number ###; the PI securely maintains study data.”
- **Form of Payment: Gift Cards**
 - Mechanism for Payment: [Tango Cards](#) or non-travel cash advance
 - Preferred Method When: Gift cards may be appropriate for smaller scale studies when the confidentiality of participants must be maintained, and the per visit payment to the participant is \$100 or less.
 - General: Payments to each human participant by gift card must be individually accounted for and reconciled monthly.
 - Documentation in PI’s Study File:
 - Documentation showing receipt of payment
 - The documentation can be a single receipt per recipient or a listing with each participant’s identification number and signature.
 - If recipients are offsite and cards are mailed or emailed, documentation needs to include reconciliation of cards purchased, distributed, and remaining and a certification that all cards charged to the sponsored agreement were distributed to participants or refunded thereto.
 - Process Requirements:
 - Gift cards and eGift cards should be purchased using tangocards.com or a non-travel cash advance
 - Reconciliations are required.
- **Form of Payment: Cash**
 - Mechanism for Payment: Petty Cash
 - Preferred Method When: For studies involving one-time cash payments to participants of \$20 or less.
 - General: Studies in which the recipient is paid in cash must be done through the establishment of a petty cash fund used exclusively for the purpose of paying human participants for a particular research study. For audit purposes, when using petty cash as a disbursement mechanism, a log must be tracked and signed by the PI or the PI’s designee, but not the person who distributed the funds. Payments to each human participant must be individually accounted for and reconciled monthly.
 - Documentation in Study File:
 - Documentation showing receipt of payment with participant’s signature and date.
 - The documentation can be a single receipt per recipient or a listing with each participant’s identification number and signature.
 - For Confidential Studies, participant signatures should **not** be shared with the service center, as they are considered personally identifying information. In these cases, the PI must retain the documentation described above in their files.
 - Process Requirements:
 - To request a petty cash fund, complete the [Establish a New Petty Cash Fund form](#) for a review by Accounting.
 - Once approved, contact your service center for assistance with requesting a new petty cash account.
 - [Responsibilities of the Petty Cash custodian](#) include safeguarding the funds, maintaining receipts or records to support transactions, and completing a monthly reconciliation. A reconciliation template may be found at

<https://www.finance.cornell.edu/sites/default/files/petty-cash-reconciliation.xlsx>.

Note that the Study File includes documentation for payment to X number of participants paid a total of \$\$\$ from date to date for IRB #.

- To replenish the fund or close it out after the research is completed, contact your service center.
- **Form of Payment: Drawing or In-kind gift for tangible personal property**
 - Mechanism for Payment: Determined by the nature of the prize, most likely e-SHOP or procurement card.
 - Preferred Method When: Eligibility for a prize may be appropriate when the nature of the study requires limited incentive, such as one-time participation in an online survey.
 - The consent form and recruitment materials (if applicable) must be in accordance with IRB guidelines.
 - Documentation in Study File:
 - Prize winner legal name, address, and social security number (if cumulative payments/prizes during the calendar year could reach \$600 or more).
 - Documentation showing receipt of prize or gift with participant's signature.
 - The documentation can be a single receipt per recipient or a listing with each participant's identification number and signature.
 - Process Requirements:
 - Prizes should be purchased in e-SHOP or with a procurement card, not personal funds.
 - Prizes with a value of \$600 or greater must be reported to the IRS. If value is greater than \$600, collect an IRS form W-9 or W-8BEN from the recipient. Report on the Cornell Tax Office's [Gift Card/Certificate Reporting form](#) and submit to the Tax Office with the IRS form.
 - Receipts are required for all procurement card transactions charged (or transferred) to sponsored awards and federal appropriations accounts.
- **Unauthorized Forms of Payment: Personal Funds, Venmo, PayPal, Cash Applications**
 - Under no circumstances should investigators' personal funds, Venmo, PayPal, or other cash applications be used to pay human research participants.
 - University funds (received via petty cash or advance) should not be transmitted via Venmo or PayPal or other cash applications to human research participants.

Online Survey Tools

Online survey tools, such as, Mechanical Turk, Prolific, Cloud Research, are considered a professional service. These providers utilize a unique identifier (or worker ID) rather than a participant's name. A report showing the unique identifier, date of payment, and payment amount may act as a receipt showing participation in the study and should be maintained by the principal investigator. The university provides access to the Qualtrics survey tool at no cost to faculty, staff, and students. See <https://it.cornell.edu/qualtrics> for further information.

Many of these survey tools require advance payments. Payments may be issued via procurement card or purchase order. It is the responsibility of the PI/researcher and their support team to ensure the funds are reconciled and unused funds are refunded appropriately. Please note that Mechanical Turk will invoice for payment rather than requiring advance payment.

IT-related purchases for faculty do not require an IT Statement of Need unless [regulated data](#) will be stored. Generally, IT applications, software, or services being purchased with sponsored funds don't require an IT SoN. For more information on the IT Statement of Need (SoN) process, please visit the [IT@Cornell website](#).

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Object Code Use

When processing human participant payments, use the correct general ledger object codes:

- Cash, Check, or Gift payments: Use object code 6200, Fees-human participants
- Gift cards through Tango
 - To fund Tango before participation, use object code 1610, Prepaid expense and deferred charges
 - After cards are distributed, a Distribution of Income (DI) e-doc should be used to move funds to object code 6200, Fees-human participants
 - To fund Tango after participation, use object code 6200, Fees-human participants
- Travel reimbursement
 - Use object code 6751, Travel-domestic, non-employee
 - Use object code 6750, Travel-domestic, employee
- Research services, survey software, online survey tools or data collection: Use object code 6610, Services-Corporations, or other appropriate service object code

Record Retention

In the event of a university, IRS, or sponsor audit, it will be the joint responsibility of the PI/researcher and the related service center, working with Payment Services, to supply the Audit Liaison with all required supporting documentation for human participant payments made from the PI/researcher's accounts. PI/researchers must ensure all high-risk confidential information, including data relating to confidential studies, is maintained securely and in compliance with [Policy 4.21 Research Data Retention](#). The Division of Financial Services retains supporting documentation for any checks issued to an individual in accordance with [Policy 4.7 Retention of University Records](#). Sponsored agreement terms may dictate a longer retention period.

Roles and Responsibilities

The Principal Investigator, in conjunction with their support team, is ultimately responsible to assure proper accounting of payments made to human participants for fiscal accountability and federal tax purposes and to maintain privacy of the human participant. Other responsibilities include:

- Ensure that all human participants are informed during the consent process (verbal or written) of Cornell's responsibility for reporting human participant remuneration to the IRS for aggregate payments of \$600 or more.
- Document the participants' names or identification numbers and payments to those human participants in a log for studies where remuneration or incentive payments are used as enticement for participation. Tango Cards has standard reporting that provides this information for your records.
- Omit confidential information from check requests (I Want documents). The request should not link the participant to the research study by title nor should it ever include medical information, diagnostic information, personal information, or other legally protected health information.
- Ensure that potentially sensitive data is protected.
- All collected IRS forms should be sent to the Service Center via [Cornell Secure File transfer](#) and should not be retained locally.
- Participants' social security number should not be kept on a local desktop, laptop, or other computing device. The regulated data chart allows storage on Managed Servers only.

The table below is a summary of the requirements and processing instructions and is intended for reference.

Summary of Payment Options and Processing Requirements for Human Research Participants

U.S. Based Study	
Value \$100 or less	
Payment Type	Requirements and Processing
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9 • Foreign National: IRS Form W-8BEN
Value over \$100	
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9 • Foreign National: IRS Form W-8BEN
Foreign-Based Study – U.S. Tax Resident	
Value \$100 or less	
Payment Type	Requirements and Processing
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9
Value over \$100	
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9
Foreign-Based Study – Foreign National	
Value \$100 or less	
Payment Type	Requirements and Processing
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • IRS Form W-8BEN
Value over \$100	
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • IRS Form W-8BEN

Definitions:

Gift card, gift certificate: A gift card is a prepaid debit card that may be used to pay for purchases. The card may be for a specific retailer, or it may be issued by a Visa, MasterCard or American Express. Gift

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cards can be a physical card or an electronic card. A gift certificate is a voucher that is exchangeable for a specified cash value of goods or services for a particular place of business.

Informed Consent Form: Informed consent is the process of telling potential research participants about the key elements of a research study and what their participation will entail and obtaining participants' agreement to take part in the research. The informed consent process typically includes a written document—the informed consent form.

In-kind payments: Goods or services provided for payment instead of cash or cash equivalent.

IRB Protocol: The IRB protocol is the official record of the human participant research study as reviewed and approved by the IRB. It defines study objectives, research population, planned procedures, data management, and other administrative aspects of the study.

Foreign National: A foreign national is an individual who is a citizen of any country other than the United States. These individuals are treated differently for tax purposes than U.S. tax residents.

Study file: Documentation of the study retained by the PI, including but not limited to research data. Confidential or personally identifiable information included in the study file can only be revealed in conformance to Cornell Policy, approved IRB protocols, relevant informed consent documentation, and applicable law and regulation.

U.S. Tax Resident: a person who is subject to U.S. tax reporting rules. U.S. tax residents include:

- U.S. citizens
- Permanent residents: persons who are allowed to reside indefinitely within a country of which they are not citizens. For tax purposes, permanent residents are subjected to the same rules that apply to U.S. citizens and are taxed on their worldwide income.
- Resident aliens for U.S tax purposes: Defined by the IRS as foreign nationals who satisfy the substantial presence test. These individuals are taxed under the same rules that apply to U.S. citizens and are taxed on their worldwide income.

Visa: An official government document that gives someone permission and establishes conditions to travel into a specific country and stay there for a set period.