

Compensation Information for Human Subject Participants

Sources of Compensation Funding

The University has identified three processes for dispensing of human subject payments:

- Web Voucher (Direct Payment to Subject or Vendor)
- Short-term Operating Advance (STOA) to Principal Investigator/Researcher
- Petty Cash Fund

The following compensation mechanisms are not allowed by the University:

- Use of Personal Funds and Personal Credit Cards
- Use of Purchasing Cards or GE Corporate Cards

Refer to two related University Policy and Procedures found at: <http://vpf-web.harvard.edu/documents> -- (1) Summary Overview of Procurement and Reimbursement Systems and (2) Human Subjects: Processing Payments

Methods of Compensation

Cash ▪ Check ▪ Gift Card/Gift Certificate ▪ Tangible Goods

Compensation Choices – Under Review to Ensure HIPAA & IRS Compliance

The University is currently reviewing the policy regarding the documentation required to pay human subjects. The policy seeks to balance the federal tax regulations, which require that researchers collect personal information such as names and social security numbers, against policies and regulations governing the protection of confidential information.

Below is a chart showing what types of compensation a subject can received based on citizenship and other affiliations:

Subject Type	Compensation	Special Instructions
U. S. Citizen	ALL Types Cash/Check/Gift Card/Goods	Obtain Name, Social Security Number , Legal Address
Permanent Resident	ALL Types	Obtain Name, Green Card Info, Social Security Number, Legal Address
Foreign National	Check Only with Withholding at 30%	FNIF & Prior Approval ¹ from University Tax Services – UNDER REVIEW
Harvard Student	ALL Types	Obtain Name, HUID Number, Legal Address unless visa is sponsored by non-Harvard organization then treat as if Foreign National
HU Employee	Check Only	Process Special Web Voucher Payment ² thru Web Reimbursement due to Oracle system limitations.
No Citizenship Status	No Checks All Other Types Allowed	For highly confidential studies and studies that would be jeopardized by the need to obtain citizenship information -- UNDER REVIEW

¹ Foreign Nationals, who fail to receive prior approval of participation eligibility, may participate in a study on a voluntary basis. Researcher is responsible for making the conditions of voluntary participation clear to subject.

² WV Reimbursements must include in comment section the phrase "Payment for Services – Not a Reimbursement" and also that services performed were part of a research study and not similar to services of regular job – do not include any research study information including name of study.

Financial Coding Requirements

Please notify your department's financial office about your study and anticipated compensation method prior to the study in order to ensure proper coding and methods of compensation are used. **Attention Psychology Department Faculty** - Please consult with your Department's Study Pool Coordinator prior to promising any form of compensation to your study participants.

Recordkeeping Requirements – Under Review to Ensure Compliance

A. Individual Compensation Records – IRS Compliance

All Human Subject payments are considered income to the recipient. Harvard will issue a 1099 for every U.S. resident who is paid over \$600/year by the University. However, if the Human Subject is a non-U.S. resident or a Harvard employee, compensation will be reported to the IRS no matter what the payment amount is.

FAS departments are contacted in December by the FAS Financial Office requesting a report on all individuals receiving human subject payments totaling \$600 or more so this information can be forwarded to Central Administration for IRS reporting purposes.

In order to comply with IRS regulation, the University requires PIs/Researchers to maintain compensation records whenever possible for each individual involved in their studies. The records for individual participants should track:

- All Cash Payments
- All Check Payments
- Monetary Value of All Gift Cards/Certificates
- Monetary Value of Tangible Goods

B. Maintaining Confidentiality – Federal (including HIPAA) & University Policy Compliance

Federal regulations, including HIPAA and the Common Rule (45 CFR 46), and University policies require researchers and administrators to respect the privacy of subjects. This includes protecting confidential information given to researchers or administrators and advising subjects in advance of any limits upon their ability to ensure that the information will remain confidential. Confidential information includes a subject's name, social security and other identification numbers, and address. The appropriate way to handle confidential information is addressed in the IRB approved human subjects protocol. All researchers and administrators - including business offices that process payments to subjects - must handle confidential information in a manner consistent the relevant IRB-approved protocol.

Business Offices preparing payment requests or settlement transactions should not submit confidential data with the paperwork. Preparers should include a statement in the Business Purpose field similar to the following: "The Department is maintaining confidential study data and will notify University Tax Services in December of each calendar year of the name, address, social security number, and dollar amount paid to any human research subject to whom the Department has paid \$600 or more during the calendar year."

Contact Dean Gallant, Assistant Dean of Research Policy and Administration (5-2628), if you are unsure how to handle confidential information regarding human subjects.

Contact Carolyn MacLeod, FAS Director of Accounting Operations (6-3053), for information on documentation requirements for in-person, online, or studies conducted outside the United States.