

July 26, 2012

Memo to : Deans, Directors, Department Chairs and Heads

From: W. Grant McGimpsey

Subject: Procedures for Compensating Research Subjects

Scope

It is not uncommon for researchers to reimburse subjects for time and travel expenses that they might incur or for their willingness to participate in a study. Additionally, some studies offer incentives as a means to attract willing subjects. Kent State University researchers have the legal obligation to both maintain confidentiality of individuals who take part in University research studies and satisfy the demands of financial accountability.

The Procedures for Compensating Research Subjects document appended to this memo clarifies the University's procedures for distributing incentives or compensation to research subjects who are engaged in research protocols approved by the Kent State University Institutional Review Board (IRB). The University's [Administrative Policy Regarding Research Involving Human Subjects](#) (3-03.2) can be found in the policy register.

Organizational Responsibilities

The Principal Investigator (PI) is responsible for the justification of subject compensation in the research protocol that must be submitted, reviewed, and approved by the IRB prior to performing the research. The protocol must specify the amount of payment and the proposed method and timing of disbursement of all payments. The PI is also responsible for the accountability of funds received and disbursed to research participants.

The KSU IRB is charged with the responsibility to review and approve both the amounts and methods of payment to ensure that they are not coercive and do not present undue influence to participate or to continue participation.

Accounts payable is charged with the responsibility for the processing of payments to research subjects from University administered funds. Accounts payable works to ensure that all payment processing meets the highest standards of financial accountability.

Summary of Procedures

These procedures are *effective immediately*:

- Recruitment incentives, valued at less than or equal to \$10, can be distributed to all potential subjects to entice them to participate in the research study. Investigators must maintain a distribution log of payments/goods in the research data files.
- If a payment to a research participant is less than or equal to \$75, and the total amount available to each subject is less than \$600 the subjects complete a research participant receipt form (RPR-1) to be retained in the research data files.
- If any single payment to a research participant is greater than \$75 or the total amount available to each subject is greater than or equal to \$600 the subjects are required to complete a research participant receipt form (RPR-2). Copies of the RPR-2 form are submitted the Accounts payable office. KSU Accounts Payable issues a 1099 miscellaneous form to the research participant only if the total amount of compensation for each subject is greater than or equal to \$600.

The tables below provide you with an overview of the procedures, methods of payment and recordkeeping requirements for researchers when compensation and/or incentives are available to subjects for their participation in research. In addition, a copy of the comprehensive procedures, required Research Participant Receipts (RPR-1 and RPR-2) forms, and an example of a gift card and reconciliation log are attached to this memo.

Overview

If a payment for participating in research is	And the TOTAL payment available if participant takes part in entire study is	Form to be used	Completed forms are	1099 Misc form issued to subject
≤\$10 (or equivalent, i.e., T-shirts, souvenir items, etc.) provided to all persons recruited for the study regardless of whether they choose to participate. Incentives are provided only one time.	N/A	Distribution List/Log	Stored in researcher files	No
≤\$75	<\$600	RPR- 1	Stored in Researcher files	No
>\$75	Any	RPR-2	Submitted to Accounts Payable (AP)	Yes (if total of payments ≥600)

Payment Methods and Requirements

If compensating using	And amount of compensation entails	Researcher completes	Participants completes
Accounts Payable Check	Any single compensation payment to the subject is ≤\$75 AND Total amount of all payments to participant for entire study <\$600	Check Request	RPR-1
	Any single compensation payment to the subject is >\$75 OR Total amount of all payments to participant for entire study ≥ \$600	Check Request	RPR-2 (researcher to submit copy to AP)
Petty Cash, Check or Cash	Each payment to subject ≤\$75 AND Total amount of all payments to participant for entire study <\$600	Varies depending on department – consult financial manager	RPR-1
	Any single compensation to the subject is >\$75 OR Total amount of all payments to participant for entire study ≥ \$600	Varies depending on department – consult financial manager	RPR-2 (researcher to submit copies to AP)
Gift Card or Certificates (check made out to the researcher who then uses funds to purchase cards)	Any single compensation to the subject is ≤\$75 AND Total amount of all payments to participant for entire study <\$600	<ul style="list-style-type: none"> • Check Request (in Expenditures area of form state intentions to pay research subjects and date of research) • Reconciliation log to AP every three months and at the end of research project. 	RPR-1
	Each payment to subject is >\$75 OR Total amount of all payments to participant for entire study ≥ \$600	<ul style="list-style-type: none"> • Check Request (in Expenditures area state intentions to pay research subjects and date of research) • Reconciliation log to AP every three months and at the end of research project. 	RPR-2 (researcher to submit copies to AP)

These procedures, forms and example documents are available on the Forms section of the Institutional Review Board (IRB) website at <http://www.kent.edu/research/researchsafetyandcompliance/irb/forms.cfm>.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Grant McGimpsey', written over a horizontal line.

Grant McGimpsey, Ph.D.
Vice President for Research and Sponsored Programs
Institutional Official
Kent State University

Cc:

Procedures for Compensating Research Subjects

Kent State University balances its responsibility to maintain confidentiality of human research subjects with record keeping requirements of the State of Ohio, grantor agencies, and the Internal Revenue Service.

This document clarifies the University's procedures for distributing incentives or compensation to human participants engaged in research protocols approved by the Kent State University Institutional Review Board (IRB). The University's [administrative policy regarding research involving human subjects](#) (3-03.2) can be found in the policy register.

Organizational Responsibilities

The Principal Investigator (PI) is responsible for the justification of subject compensation in the research protocol that must be submitted, reviewed, and approved by the IRB prior to performing the research. The protocol must specify the amount of payment and the proposed method and timing of disbursement of all payments. The PI is also responsible for the accountability of funds received and disbursed to research participants.

KSU's IRB is charged with the responsibility to review and approve both the amounts and methods of payment to ensure that they are not coercive and do not present undue influence to participate or to continue participation.

Accounts payable is charged with the responsibility for the processing of payments to research subjects from university administered funds. Accounts payable works to ensure that all payment processing meets the highest standards of financial accountability.

Incentives

Incentives are low value payments or goods given to participants to entice them to participate in the research. To qualify as an incentive, the value of the payment or good must be \$10 or less and is offered to all persons recruited for the study, regardless of whether they choose to participate.

In studies where the identities of the subjects are known, the PI must maintain a log/lists to provide information about who received incentives. Written documentation (i.e., receipts) from the recipients of the incentives are *not* required. The log/lists are retained in the PI's confidential research files and may be viewed for audit purposes by university officers.

If a research protocol involves research subjects engaged in one-time anonymous surveys, no log/list of incentive recipients is required. In such cases, the PI must document the protocol number as well as date and time of the distribution of the incentives and maintain this file with other research files for audit purposes.

Compensation

Compensation is payment to research participants that is provided after participation in a research activity. Such payments are considered to be compensation for time/travel/services and can be made in the form of checks, cash, or gift cards. The sections contained in this document (Research Participant Forms and How to Pay Research Subjects) provide information regarding the Kent State University procedures that have been adopted to ensure that the proper records are maintained for accordance with state and federal income reporting requirements while maintaining the appropriate level of confidentiality for research participants.

Research Participant Receipt Forms (RPR)

All research participants receiving compensation are **required** to complete the appropriate Research Participant Receipt (RPR) forms.

RPR-1 Form

The RPR-1 form must be completed by participants if they are receiving compensation payment(s) of less than or equal to \$75 each *and* the total compensation available for the study is less than \$600. The form does not require the participant to provide a Social Security number or address. Participants are required to sign the form, which documents the receipt of compensation. Completed RPR-1 forms are to be stored with the investigator's research documentation.

RPR-2 Form

Participants receiving compensation payment(s) valued at more than \$75 each, or multiple payments of less than \$75 that total \$600, or more, over the course of the study, must complete the RPR-2 form. The RPR-2 form requires that participants provide their Social Security number and address. KSU uses this information to issue an IRS Form 1099 Miscellaneous Income statement. The completed forms must be submitted to Accounts Payable, Schwartz Center Room 237, either as backup documentation for direct payment to the research participant or as reconciling documentation for payments (such as gift cards) that are routed through the researcher.

It is the responsibility of the researcher to inform participants that the information collected on RPR-1 and RPR-2 forms allow the University to meet government reporting obligations. Participants should be assured that precautions are in place to keep their information secure. Specifically, all employees who have access to university computer systems are required to read and sign an *Acknowledgement of Receipt for the Secured Use and Confidentiality of University Records and Data form*. This information should be presented in the appropriate Informed Consent document for the study and explain that the RPRs do not detail the nature of their participation or refer to the exact research protocol. In addition, participants should be advised that Accounts Payable does not scan completed forms RPR-2 as part of payment request documentation. Rather, they are stored in locked filing cabinets within the Accounts Payable office. Participants can participate in research without receiving compensation if they do not wish to provide the identifying information which RPRs require.

How to Pay Research Participants

Participants may be compensated using various methods, including checks, cash, and gift cards. Investigators may be asked to provide other documentation, in addition to the RPR form(s) (i.e., the Petty Cash Reimbursement form), when submitting payment requests to Kent State University's Accounts Payable Department. The sections that follow provide information about the payment methods and the documentation required. If a researcher chooses to compensate research participants using a method that is not detailed below, the researcher must contact Accounts Payable (x22607) to discuss how the compensation should be processed.

Accounts Payable Check (payment made directly to the participant)

Payments by check may be requested using the Check Request form. The Check Request form and, if required, the RPR-2, must be submitted to Accounts Payable, 237 Michael Schwartz Center, for payment.

Petty Cash Check or Cash (payment made directly to the participant)

A limited number of University departments have petty cash accounts and petty cash checking accounts, which may be used in order to pay research subjects. The investigator must obtain an RPR for each research subject compensation payment listed on the Petty Cash Reimbursement form. RPR-1 forms should be kept by the researcher while RPR-2

forms must be submitted to Accounts Payable at the same time that the Petty Cash Reimbursement form is submitted to the Accounts Payable or Controller's Office.

Gift Cards or Certificates (check made out to researcher, who then uses funds to purchase cards)

To compensate research subjects with gift cards, the investigator must submit a completed Check Request form to Accounts Payable. In the Explanation of Expenditures area of the form, the investigator must state his intention to pay research subjects with gift cards or certificates as well as the dates during which the research will be conducted. A check will be sent to the researcher, who will then use that money to purchase the gift cards. The researcher must obtain a completed RPR-1 or RPR-2 for each disbursed gift card. Every three months and at the conclusion of research, the investigator must submit a reconciliation of disbursed gift cards to Accounts Payable. This reconciliation should include the following information for each gift card disbursed: recipient's name, date of disbursement, value of gift card. Any RPR-2 forms that have been collected should be submitted with the reconciliation.

Investigators may choose to submit more than one Check Request for gift card purchases over the course of a research study. This is often preferable as it is not always known how many gift cards will be needed and reduces the risk of having gift cards left over at the end of research. Refunds will not be issued for unused gift cards. Reconciliations for previous gift card Check Requests must be submitted to Accounts Payable before subsequent requests will be processed.

NOTE: Investigators may not purchase gift cards and then submit expense reimbursements for the expense. Similarly, gift cards may not be purchased using the department purchasing card as doing so is a violation of the Administrative Policy Regarding Use of the Purchasing Card, 7-02.16.

Contact Information

Questions regarding the processes for making payments to research participants may be directed to Accounts Payable by e-mail (payments@kent.edu) or telephone (330-672-2607.)

Questions regarding the tax issues involved in compensating research participants may be directed to the Tax Manager at 330-672-8622.

Questions regarding the Institutional Review Board may be directed to the Office of Research Compliance at 330-672-2704



Research Participant Receipt 1 (RPR-1)

Kent State University (KSU) is required to maintain the confidentiality of information about research study participants while still complying with record keeping requirements of the State of Ohio, the Internal Revenue Service (IRS), and funding agencies. This form serves as documentation of receipt of compensation by individuals participating in research studies conducted by KSU personnel and is used to obtain information to comply with IRS reporting requirements.

1. I, _____, have received/or am requesting compensation in the
(Print Research Participant's Name) form and amount indicated below:

- ☐ Cash \$ _____
☐ Check \$ _____
☐ Gift Certificate/Card \$ _____

Research Participant's Signature

Date

TO KSU PERSONNEL:

This form is to be used for research participants are receiving $\leq \$75$ and the total of payments received for participation in the entire project $< \$600$. If a research participant chooses not to provide their name, address, and taxpayer identification number they can choose to participate in the research without receiving compensation.

If a KSU check needs to be issued for payment, complete a Check Request form and submit to Accounts Payable, Schwartz Center Room 237. Do not attach a copy of this form to the request.



Research Participant Receipt 2 (RPR-2)

Kent State University (KSU) is required to maintain the confidentiality of information about research study participants while still complying with record keeping requirements of the State of Ohio, the Internal Revenue Service (IRS), and funding agencies. This form serves as documentation of receipt of compensation by individuals participating in research studies conducted by KSU personnel and is used to obtain information to comply with IRS reporting requirements. Federal and state law protects the privacy and security of your social security (SSN) or individual taxpayer identification number (ITIN) and Kent State University will not disclose your information without your consent for any other purposes except as allowed by law. **All information requested below is required in order to receive compensation.**

1. I, _____, have received/or am requesting compensation in the
(Print Research Participant's Name) form and amount indicated below:

☐ Cash \$ _____
☐ Check \$ _____
☐ Gift Certificate/Card \$ _____

2. Record either your Social Security Number or your Individual Taxpayer Identification Number.

____ - ____ - ____
Social Security Number

OR

____ - ____ - ____
Individual Taxpayer Identification Number

3. Indicate your tax status (select one):

☐ U.S. Citizen

☐ Resident Alien

☐ Non-Resident Alien - Must complete and attach IRS Form 8233 to be exempted from 30% withholding.

4. Please record your complete address and sign and date the document below.

Address _____ City _____ State _____ ZIP Code _____

Research Participant's Signature _____

Date _____

TAX REPORTING INFORMATION:

For U.S. citizens and resident aliens, a 1099-MISC form will not be submitted to the IRS unless all payments received from KSU in a calendar year are \$600 or more.

For non-resident aliens, a 1042-S form will be submitted to the IRS, regardless of the amount. Non-resident aliens will be subject to 30% withholding, unless exempted by completing the IRS Form 8233. Exemption from withholding requires 1.) having a U.S. social security number or individual taxpayer identification number, 2.) being a citizen of a country that has a tax treaty with the U.S., and 3.) being in the U.S. for fewer than the maximum allowable days. Non-resident aliens may be eligible for a refund of the amount withheld by filing a U.S. tax return.

TO KSU PERSONNEL: This form is to be completed by research participants who receive a single payment of > \$75, or the total payments for participation in research is ≥ \$600. If a research participant chooses not to provide their name, address, and taxpayer identification number they can choose to participate in the research without receiving compensation.

If a KSU check needs to be issued for payment, attach the RPR-2 to a completed Check Request form and submit to Accounts Payable, Schwartz Center Room 237.

RPR-2 (revision 1.0)

For use when a research participant receives a single payment of > \$75, or the total payments for participation in research is ≥ \$600

Gift Card/Certificate Reconciliation Log

Complete every three months and at the conclusions of research.
Attach RPR-2s when applicable.
Submit to Accounts Payable, Room 237 Schwartz Center.

Total value (all pages) of gift cards/certificates disbursed this period: \$ -

<i>Date of Disbursement</i>	<i>Recipient's Name</i>	<i>Value of Card/Certificate</i>
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<i>Page 1 total</i>		\$ -

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