

# Human Research Subject Payments

## Sponsored Project Best Practices

NURAP @ Noon  
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# Objective

- To cover all the intricacies of paying Human Research Subjects on sponsored projects
  - We will be covering specifically financial payments only
- Discuss Ways to Pay
- Items to watch out for and answer some FAQ's

# Human Subject Payment Policy

- Federal agencies request comprehensive research subject payment information
  - Human subject payments
  - Tax reporting
  - Disbursement processes





# Taxability

- Payment thresholds and tax reporting requirements.
  - Payments to U.S. residents totaling \$600 or more

# Existing Policy Reminders



- Cash payments are limited to \$100 per calendar yr. Cash payments include currency, and Gift Cards
- Payments exceeding the threshold should be processed as checks
- Employee payments that exceed the threshold should be processed via Payroll
- Any request for exceptions to the \$100 cash payment rule need to be clearly justified and made to Karen Spina (Associate Director of ASRSP).

# Methods of Payment

- Decide the method of payment
  - Petty Cash
  - Stored Value Card
  - Hyper Wallet
  - Gift Cards (not preferred method)
  - Check through Accounts Payable (AP)
  - Check through Payroll (employee and Non-residents)
    - See Human research subject payments policy page 3-4  
<https://www.northwestern.edu/financial-operations/policies-procedures/policies/HumanSubjectPayments.pdf>







# Remote or Online Participants

- Not all participants are physically present to sign documentation.
  - Potential ways to manage these payments
    - Set up a log that allows double verification
    - Use a service that requires recipient receipt (can be costly)
      - Ex: Fed Ex
    - Get email documentation confirming they received the payment



# FAQ's or Additional Information

# Why charge a department non-sponsored account first?

We have a Fiduciary responsibility to spend properly

- When circumstances are uncertain you must charge a non-sponsored account first
- Once funds are distributed you can move a transaction to a grant via a correction journal
  - Ex: an RA bought 15 gift cards @ Walgreens and was reimbursed on a grant via a non-travel expense report or petty cash. Only 13 subjects showed up to your event. Later she found one card is missing. Auditor discover this.
    - What will happen?
    - What should they have done?
    - What if staff member who knows what happened leaves NU before transfer of expense occurs?

# Why all the paperwork?

Human Research subject payments have two components that can cause a lot of trouble for departments.

- Privacy of Patient (requires privacy protection)
- Abuse of Cash (requires transparency)

## How to manage this?

Depts. should keep the documentation and make it readily available for an audit but provide enough information to be reimbursed

What is needed depends on the type of transaction



# Petty Cash continued...

- Petty cash is not electronic process thus you must do the following...

Review expense is compliant to Sponsored Award

Confirm if there is an existing Petty Cash fund for this award or set up a Petty Cash fund to proceed

Account code is Opened

Sufficient funds are on the grant

Check end date of grant if the grant appears to have ended approval will be delayed. Justify why you are asking to post costs after the end date. You should not be charging after the end date without an explanation.

Ex: Project ends Feb 28, 2019 but you expect a NCE and are submitting payments for March 12<sup>th</sup>. Let the approver know you are requesting a NCE, so they will not deny it.

Make sure the DPR is signed

- Dept. Admin or PI should sign





# Human Subject Expenses

These are costs made for travel or reimbursements to subjects.

- A receipt or invoice should be obtained for each expenditure in addition to the payment.
  - ASRSP will review your document for....
    - A completed Human Subject payment form
    - Has the distributor approved reimbursement form
    - For items that do not have receipt like a bus ride, use a petty Cash-Payout form (PC) Please provide all details, dates, amounts, reason. No amount over \$40.00 should be 756.25 Tm 0 s4P0 s4P0PRehs,

# Subject Expenses continued

## Apply Grant, Travel Policy & Petty Cash Policies

- Ex: Keep in mind Petty Cash Max is \$100.00  
Mileage max out of Petty cash is \$100/mileage rate  
(current rate is 58 cents a mile, no more than 172 miles can be reimbursed in cash)
- Reimbursement rate is set by the IRS.
- Please do not pay portion out of Petty cash and portion from a/p via check. There should be only 1 transaction
- 78666 can be used for Subject Travel and other incidentals

# For all methods of payment: Show me the Back-up

- Documentation shows proof of distributing payment (a few methods)
  - Signed research subject form (signed by participant and distributor)
  - A log of how funds are being dispersed
    - Log should include: "Patient Identifier , address, date of research activity, amount paid and signature of participant (or other proof of distribution). Dual department signature required when participant is not available.
  - Reimbursement of cash is restricted to \$100 per calendar year.
- If you need to pay a subject more, contact Karen Spina.
- Any of the items mentioned above are your back up for cost transfers and replenishments
- Dept. Approvers: you have the job of verifying redacted documents. You must see the originals and make sure NU is protected.

# NU Employees as Research Subjects

- Up to \$100 allowed from Petty Cash if one time payment
- Add pay must be used if payment is over \$100  
ASRSP Reviews myHR Add pay on all forms submitted over \$100
  - Managing repeat visit and payments. You decide how you want to manage this - just make sure you understand it's \$100 per calendar yr
  - Please keep it to 1 transaction per instance



# Be mindful of following...

Faculty and Staff should not use their own funds to pay HRS payments, they will be subject to tax liabilities

- Reimbursement will not be easy, if allowed at all

When using Log, having dual verification that funds were distributed protects NU and the distributor.

Please make sure to obtain necessary signatures for payments when the patient does visit. They are needed for audits, you may be asked for

# Unusual situation?

- If you have an unusual situation that may require an exception, please email GCFA with a thorough justification to help ASRSP and A/S make a sound decision. Approvals will be on a case by case basis
  - Some situations may require a review by OSR/ASRSP/Treasury Operations. Please be patient.
  - Keep in mind request may not get approved - do not proceed without approval

# Subject Payment- Final Reminders

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# Questions?

Accounting Services for Research and Sponsored

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Thank You