

NON-CASH RESEARCH SUBJECT INCENTIVES

May 2008
Policy 6.1.05

Policy:

Due to Internal Revenue Service tax reporting requirements, reimbursement requests for participants in a clinical trial require the collection of specific information. KUMC Research Institute allows for flexibility in the method of reimbursing subjects as long as records are complete and submitted in a timely manner.

Purpose:

Subjects participating in clinical trials for funded research are considered to be independent contractors, and may be compensated for their services. With the appropriate documentation from the subject, compensation may take the form of a check, cash, or non-cash subject incentive. Reimbursing a participant with a non-cash subject incentive for small amounts is sometimes more expeditious than a check, and easier in certain circumstances. An example of a non-cash research subject incentive is a gift card (Visa gift card, WalMart or Target gift cards, etc).

The KUMC Research Institute is required to file a 1099-MISC with the Internal Revenue Service for payments to any individual who receives a total amount of \$600.00 or more in a single tax year in the form of subject incentive payments. These payments may be accumulated from participation in several projects, on several grants, and may be in the forms of cash, check, or non-cash subject incentives. Therefore, complete documentation must be collected from the subject at the time of payment. IRS regulations require collection of data at the time of payment, and this begins with the first dollar.

Research subject incentives are not to be used to influence outcomes of clinical research trials, or to be used merely to inflate the number of persons in a clinical research trial. Such activity is a conflict of interest and corrupts research integrity.

A KUMC or KUMC Research Institute employee may participate in a clinical trial. The employee then becomes a subject for the duration of the trial and may receive direct payment from the research project.

Research subject incentives are not employee incentives. Employee incentives are gifts reported through payroll.

Procedures:

Non-Cash Research Subject Incentives:

- A subject may only receive \$100.00 compensation by means of non-cash research subject incentives for the duration of the study. A subject may receive compensation above \$100 per study, but only \$100 of the compensation may be made by means of a non-cash research subject incentive. The remainder of compensation, if any, should be paid via check.
- There are two options for purchasing by department personnel (PI, study coordinator, etc):
 - A requisition may be entered in PeopleSoft payable directly to the Vendor.
 - The use of a personal credit card after which a requisition is then entered into PeopleSoft reimbursing the purchaser.
- **The KUMC BPC card is not an option when purchasing non-cash research subject incentives.**
- At the time of purchase, the KUMCRI Subject Incentive Form must be completed and e-mailed to RINSTAP@kumc.edu, faxed to 913-588-5758, or accompany the request for payment. A voucher will not be processed for payment without this completed form. The form may be found at: http://www2.kumc.edu/researchinstitute/fas/forms/kumcri_subject_incentive_form.doc
- The following information must be collected from the subject and submitted to the Research Institute Accounts Payable office within five (5) working days of presenting a subject with a non-cash subject incentive:
 - Speed Type (Grant Number)
 - First and Last name of the subject
 - Complete home address of the subject, including street address, city, state and zip code
 - Social Security Number of the subject
 - Amount paid
 - Type of non-cash research subject incentive (WalMart gift card, Target gift card, savings bond, etc)
 - Forms may be found at the following websites: <http://www2.kumc.edu/researchinstitute/fas/asp/rinst.asp>, or in spreadsheet format: http://www2.kumc.edu/researchinstitute/fas/forms/subject_incentive_form.xls
- If you have any questions regarding what is or is not considered a research subject incentive, contact your Post-Award Administrator *before* compensation is requested: 913-588-1251, or http://www2.kumc.edu/researchinstitute/spa/SPA_Forms/accountant_list.xls

Definitions:

IRS Form 1099: Informational return sent to the IRS to report various kinds of non-wage payments made to individuals. These payments are not subject to tax withholdings but are considered taxable income and required to be reported to the IRS.

Non-cash research subject incentive: Cash-equivalent payment, such as a gift card or savings bond, for participation in a research study.

Research Subject Incentive: Check, cash, or non-cash compensation for participation in a research study.

Responsible Parties:

This policy shall apply to all KUMC Research Institute staff, KUMC faculty, staff, postdoctoral fellows, students, trainees, and any other persons at KUMC, University of Kansas Physicians Incorporated and its affiliates, and KU Hospital staff involved in conducting and/or coordinating or managing research at KUMC.

Exemptions:

A waiver from collecting SSNs may be obtained when the nature of the research is such that the subjects either do not have SSNs, a home address, or are not willing to divulge the information due to fear of reprisal or stigma. A detailed justification, in writing, may be submitted to the Senior Deputy Director and Chief Financial Officer by the Project Investigator. The approval of the Controller or Senior Deputy Director and Chief Financial Officer is required.

Related Policies and Links:

KUMC Office of Compliance <http://www2.kumc.edu/compliance/>
KUMCRI Cash Equivalent Subject Payment Entries <https://www2.kumc.edu/researchinstitute/fas/asp/rinst.asp>
KUMCRI Subject Incentive Form http://www2.kumc.edu/researchinstitute/fas/forms/kumcri_subject_incentive_form.doc
KUMCRI Subject Payment Request: http://www2.kumc.edu/researchinstitute/fas/asp/subject_payment_request.asp

Contacts:

Vice Chancellor for Research: 913-588-7068
Associate Vice Chancellor for Research Administration: 913-945-6636
Senior Deputy Director and Chief Financial Officer: 913-588-5469
Controller: 913-588-5749

History:

Original Issue Date: 6/4/2008
Current Issue Date: 6/4/2008
RAC Approved: 6/25/2008
Effective Date: 7/2/2008