

BOSTON COLLEGE HUMAN SUBJECT PAYMENT POLICY

EFFECTIVE DATE: January 1, 2022

Purpose:

The purpose of this policy is to describe the process by which Boston College will compensate Human Subjects of research studies and by which it ensures that Boston College is compliant with federal tax laws. While the University does not expect PIs to have prior knowledge of tax rules, it is beneficial for them to be aware of the general reporting requirements that the University is subject to so that the role of tax compliance is understood in its proper context, given proper care, and made less burdensome to the researchers.

PLEASE NOTE: THIS POLICY IS FOR PAYMENTS MADE BY BOSTON COLLEGE. IF A RESEARCHER IS COMPENSATING STUDY PARTICIPANTS OUT-OF-POCKET OR USING EXTERNAL FUNDING THEN THE UNIVERSITY IS NOT THE PAYOR AND IS NOT THE PARTY RESPONSIBLE FOR IRS REPORTING.

Tax Reporting Rules for Human Subject Payments:

The Internal Revenue Service (IRS) considers any compensation to individuals participating in research studies to be taxable income for U.S. federal income tax purposes, regardless of whether the compensation is cash, cash equivalent (gift card/check), or in-kind (books, etc.). This means that the recipient of the payment has an obligation to include the amount received on his/her personal income tax return for the year and that Boston College must comply with the IRS reporting obligations for payors. Payments to U.S. citizens and resident aliens of \$600 or more during a calendar year are required to be reported to the IRS on Form 1099-NEC and payments to nonresident aliens are required to be reported to the IRS on Form 1042-S.

Please note that all payments to University employees are subject to federal and state tax withholdings and reportable on the employee's Form W-2. There is no "de-minimus" benefit amount related to study compensation, regardless of payment method.

How to Pay Human Subjects of Research Studies:

Boston College allows two payment methods to compensate non-employee human subjects for participation in research studies. Employees of the University must be paid via Supplemental Payment Requisition.

- **Gift Card (Only for Payments < \$75):** Gift cards may be used to compensate human subjects of research studies if the amount does not exceed \$75. Gift cards must be purchased via P-Card or Expense Report and disbursement documented on the Gift Card/Gift Certificate Disbursement Log. Please see the *Gift Card Process Guide and Required Information Collection* section below for further guidance.
 - Note: If a PI has reason to believe that an individual may receive \$600 or more in compensation from Boston College during a calendar year, the PI must compensate this individual through the AP Voucher process, even if his/her study compensation is less than \$75 and would otherwise be able to utilize the gift card payment method. This scenario might occur if the human subject has participated in other University-sponsored research studies or has performed other services for Boston College as a contractor.
- **Accounts Payable Voucher (Required for Payments > \$75):** The preferred payment method, and the method required for payments exceeding \$75, is to pay the individual through Accounts Payable. Please see the *Accounts Payable Voucher Process Guide and Required Information Collection* section below for further guidance.
- **Paying University Employees – Supplemental Payment Requisition:** To pay University employees for participation in a research study you will need to submit a completed supplemental payment requisition form to the Human Resources Service Center. Please use the most recent copy of the form, located [here](#). University employees should not be offered in-kind compensation.

In-Kind (Non-Cash/Cash Equivalent) Compensation

The fair market value of any in-kind compensation (books, electronic devices, etc.) is considered income to the recipient. If a human subject is to receive in-kind compensation (or a combination of in-kind and cash compensation) in excess of \$600 in a calendar year, please contact Procurement Services or the Assistant Controller for Tax & Financial Compliance.

Accounts Payable Voucher Process Guide and Required Information Collection:

For U.S. tax residents to be compensated through the AP Voucher system, an IRS Form W-9, if not already on file, will need to be collected from each human subject and submitted to Accounts Payable in order to enroll the recipient in the vendor registry.

For non-resident aliens to be compensated through the AP Voucher system, the PI will need to complete the Foreign Supplier Registration Form as well as collect an IRS Form W-8BEN from the participant in order to enroll the recipient in the vendor registry.

Once the required forms have been submitted to Accounts Payable and the subject has been added to the PeopleSoft supplier registry, an AP Voucher should be created in PeopleSoft Financials to initiate the payment.

For further information on vendor set-up, please contact the Account Payable Department at 2-3366 or at acctpay@bc.edu.

Gift Card Process Guide and Required Information Collection:

Gift cards to compensate study participants can be purchased either via P-Card or Expense Report. The Departmental Research Administrator or other responsible party submitting the report must specify that the purchase is for gift-cards and provide Procurement Services with the study name/ID number. In order to ensure proper distribution of gift-cards and record the distribution for internal accountability, the DRA and PI are jointly responsible for the maintenance of a Gift Card/Gift Certificate Disbursement Log. The log must be completed whenever disbursements are made and be made available upon request to Procurement Services and/or Internal Audit in order to ensure appropriate disbursement of the gift cards. If submitting an expense report for reimbursement of gift-card purchases, the completed Gift Card/Gift Certificate Disbursement Log should be attached to the Expense Report and signed by the DRA and PI. If gift cards are purchased by P-Card, the same documentation should be attached to the P-Card Reconciliation for that statement.

Definitions:

Human Subject: A volunteer participant in a research study. Any person participating in a research study is known as a human subject (participant). Under the federal regulations, human subjects are defined as: living individual(s) about whom an investigator conducting research obtains: 1) data through intervention or interaction with the individual or 2) identifiable private information.

Boston College Employee: Any individual who is on the Boston College payroll and for whom Boston College is required to withhold income/employment taxes during the calendar year in question.