

UNIVERSITY *of* HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Finance and Accounting**  
**AREA: Expenditure Management**

**Number: 05.02.04**

<b>SUBJECT: Payments to Human Subjects and Participants in Sponsored Projects</b>
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I. PURPOSE AND SCOPE

This document prescribes the requirements and the mechanisms for making payments to human subjects and participants in sponsored projects. This document applies to human subject and participant monetary payments charged to any university account. Those payments involving funds other than sponsored project funds may follow these payment guidelines, but such payments do not involve the approval of the Office of Grants and Contracts.

II. DEFINITIONS

- A. Cash: For this document, dollars and cents (currency), personal or institutional bank drafts (checks), money orders, cashiers' checks, or travelers' checks.
- B. Currency: For this document, U.S.A. money: dollars and coins.
- C. Employee: An individual performing services subject to the will and control of the university in terms of what must be done and how it will be done and how it will be paid through the payroll system.
- D. Human subjects: Individuals whose physiological or behavioral characteristics and responses are the object of study in a research project. Under federal regulations, human subjects are defined as: living individuals about whom an investigator conducting research obtains: (1) data through intervention or interaction with the individual, or (2) identifiable private information.
- E. Participants: Individuals who agree to participate in an event or program funded under a sponsored agreement and who will receive a payment for their participation and/or reimbursement of expenses as allowed by the programmatic guidelines and approved by the funding agency. These individuals are not the objects of a human subject study, but they are contributors to the program objectives; and their contribution in and of itself does not constitute an employee-employer relationship, consultant relationship, or service provider relationship.

### III. POLICY STATEMENT

- A. University sponsored projects may involve human subjects or other participants who are paid for their contribution to the project. Payments to these individuals, the accompanying record keeping, and the protection of human subject/participant confidentiality must comply with the guidelines of the funding agency, the Office of Grants and Contracts, and this document, as well as those of the researchers and the Office of General Counsel.

### IV. PROCEDURES - GENERAL

- A. To accommodate the nature and needs of the individual sponsored research project, the university offers optional methods of providing payment to human subjects and other human participants. The university is responsible for maintaining records of the total amount paid annually to each human subject/participant. When the total amount paid to a non-employee reaches \$600 in a calendar year, the university is required to report such payments to the individual and the Internal Revenue Service (IRS) on form 1099 MISC.
- B. At the beginning of the human subject/participant participation, the human subject or participant shall acknowledge whether he/she is an employee of the University of Houston System. In each case where the human subject or participant is an employee, the employee/human subject/participant will be paid through the university payroll system rather than by voucher.
- C. In each case, departments shall maintain records on each human subject/participant, including to the extent possible the human subject or participant's name, address, social security number, and calendar year-to-date payment amounts. To both ensure confidentiality and secure maximum data and information, it may be necessary to identify the human subject through a cross-referenced human subject identification number.
- D. In studies where it is anticipated that complete human subject information may not be readily available, where the human subjects are not university employees, and where token payments or non-monetary rewards are involved, the appropriate record-keeping methods shall be arranged ahead of time with the Office of Grants and Contracts and Accounts Payable.
- E. The Office of Grants and Contracts and the UH Director of Accounts Payable and Director of Tax Compliance may be consulted about compliance issues.
- F. The Office of Research Policies, Compliance and Committees will work with the principal investigator and/or business manager, as needed, to provide direction regarding issues of confidentiality.

- G. All vouchers and other expenditure request documents require the approval of the principal investigator and the Office of Grants and Contracts when sponsored project funds are involved.
- H. Funds advanced but not adequately substantiated will be reported as compensation to the cash custodian to whom the funds were advanced. The department will be required to provide a non-project cost center for this purpose.
- I. The appropriate expense account(s) shall be used to record payments to participants:
  - 54810 – Human Subject Testing (Taxable)
  - 54817 – Participant Travel Expenses (Non-Taxable)
  - 54818 – Participant Non-Travel Expenses (Non-Taxable)
- J. When a department handles cash in providing payments to human subjects and participants, funds must be secured and handled in accordance with the principles established for fund/cash custodians in MAPP 05.01.01 on Cash Handling.
- K. Each department involved in research with human subjects and participants must have detailed procedures in place for reconciling subject payment records on a monthly basis.

V. OPTIONAL PROCESSES

- A. An Operational Cash Advance may be obtained through Accounts Payable under the terms of MAPP 05.01.02. The department prepares a voucher payable to a custodian using account 12102, Accounts Receivable, and an Accounts Payable cost center and submits the voucher to Accounts Payable. The Operational Cash Advance will be issued to the custodian who is responsible for maintaining the fund and the fund disbursement records. Upon completion of the program, the department must prepare a journal to record expenses, deposit any remaining funds, and clear the cash advance recorded on account 12102. The following is an example of the journal to record expense and clear the cash advance in account 12102.

Example: Operational Cash Advance of \$320.00 was issued. A total of \$300.00 was distributed to human subjects. After the completion of the project, the department has a remaining cash balance of \$20.00.

Debit: 54810 (Department Cost Center)	300.00
Debit: BANK	20.00
Credit: 12102 (Accounts Payable Cost Center)	320.00

A list of human subjects who actually received payments, the amount received, date of payment, and their signatures must be attached to the journal as backup documentation.

- B. Other payment methods involving purchase vouchers are handled directly with Accounts Payable and do not involve advances.
1. The human subjects sign each time they participate as a human subject. Periodically, (i.e. weekly, bi-weekly, or monthly), they sign a summarized time sheet, the principal investigator verifies the time, and an individual voucher is prepared for payment to each individual with the sign-in sheet attached as documentation.
  2. Similarly, payment may be based on an individual general information letter of agreement between the principal investigator and the participant. The general information letter of agreement outlines the event or program notifying participants of expectations as well as any incidental expenses that may be reimbursed and/or a participant fee that may be paid upon successful completion of the event or program. At the end of the event or program or as needed, an individual voucher is prepared for payment to each individual and a copy of the general information letter of agreement is attached as documentation.

The general information letter of agreement form requires advance approval of Office of Grants and Contracts.

3. The principal investigator personally pays the human subject, has each human subject sign a receipt of payment, and the receipts are attached to a purchase voucher to reimburse the principal investigator. In these cases, the department must create a PCC 8 voucher and enter the human subjects who received payments as third parties in the UHS Data Line page of the purchase voucher.

VI. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance  
Vice President for Research

Review: Every three years, on before July 1

VII. APPROVAL

Jim McShan  
Interim Vice President for Administration and Finance

Donald L. Birx  
Vice President for Research

John M. Rudley  
Interim President

Date of Interim President's Approval: October 16, 2007

VIII. REFERENCES

- MAPP 04.01.03 - Purchase Vouchers
- MAPP 05.01.01 - Cash Handling
- MAPP 05.01.02 - Operational Cash Advances

Index Terms: Human subjects  
Participants in sponsored projects  
Sponsored projects