

Grant and Contract Accounting Office Human Subject Payments on Sponsored Projects

Human Subject Payments

For the purposes of this guidance, *payment* means any remuneration or incentive payment given to human subjects participating in a research project which is supported from externally-funded awards. Such payments should be of nominal value to avoid the appearance of undue influence on the subjects and be reasonable to the level of participating effort being committed.

The Internal Revenue Service (IRS) considers any single payment (including cash payments, gift cards, property, goods, or services) that exceeds a specific value (i.e. \$600 USD) over the course of a calendar year to be taxable income which requires withholding and documentation, even for foreign nationals. As a result, in most cases a completed W9 form will need to be completed and submitted for payment to be issued.

All human subject payments must be approved by the Human Subjects Institutional Review Board as part of research-protocol review. The IRB will approve only payments that comply with federal, state, local, sponsor, and University policies. Researchers must report any deviations from the approved protocol, including changes in the form or amount of payments, to the IRB.

Payments must be approved by the Grant and Contract Accounting (GCA) Office and will be issued via an accounts payable check or through an Amazon.com electronic card. The researcher should contact the GCA office in its planning phase prior to the research commencing to discuss what level of documentation and delivery method is needed for a payment to be issued as each research and granting agency is unique. A copy of the IRB protocol should be forwarded to the GCA office for review. The researcher will need to provide sufficient information to enable GCA and Accounts Payable to report these payments to the IRS (i.e., name, address, social security or other identifying number, and total amount paid). This information may need to be marked as CONFIDENTIAL, and both the researcher, GCA and Accounts Payable should take prudent measures to secure any personally identifying information.

Using Federal Grant Funds

All costs charged to federal grants, including human subjects payments, must be:

- **Reasonable:** recognized as necessary to perform the project, consistent with the way similar charges are handled by Central Washington University and within the researcher's discipline, related to an action deemed to be within norms of Central

Washington University business and research conduct and not exceeding an amount deemed to be within those norms (i.e., the “prudent person test”).

- **Allocable** to the specific project: incurred solely to advance the work funded by the grant (or allocable to more than one grant or University activity in proportions that can be approximated using “reasonable” methods).
- **Consistent** with the way the same costs are treated in like circumstances at Central Washington University; the cost must be treated in the same manner (i.e., as either a direct or indirect cost) when used in similar circumstances.
- **Allowable** under federal cost principles, agency-specific policies, award-specific terms and conditions, and University policies.