



Procedure Number	Subject	Effective Date	Revised Date
C-AP-039	AP & Human Subjects Procedure		
Responsible Division/Unit: The Controller's Office			

I. Overview

Accounts Payable (AP), in accordance with Internal Revenue Service (IRS) regulations, must report to the IRS and be able to produce 1099 tax forms for non employees receiving payments or in-kind payments that exceed \$600. The IRS regulations may, in some instances, be contrary to the U.S. Department of Health & Human Services (DHHS) Code of Federal Regulations regarding the protection of Human Subjects. The following are procedures to be followed when Human Subjects are involved in the receipt of payments or payments in-kind.

I. Code of Federal Regulations

The following is has been extracted from the Code of Federal Regulations and is used as a basic guideline to the AP Procedures.

§46.101 To what does this policy apply?

(a) Except as provided in paragraph (b) of this section, this policy applies to all research involving human subjects conducted, supported or otherwise subject to regulation by any federal department or agency which takes appropriate administrative action to make the policy applicable to such research. This includes research conducted by federal civilian employees or military personnel, except that each department or agency head may adopt such procedural modifications as may be appropriate from an administrative standpoint. It also includes research conducted, supported, or otherwise subject to regulation by the federal government outside the United States.

(b) Unless otherwise required by department or agency heads, research activities in which the only involvement of human subjects will be in one or more of the following categories are exempt from this policy:

(1) Research conducted in established or commonly accepted educational settings, involving normal educational practices, such as (i) research on regular and special education instructional strategies,

or (ii) research on the effectiveness of or the comparison among instructional techniques, curricula, or classroom management methods.

(2) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless:

(i) information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (ii) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

(3) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior that is not exempt under paragraph (b)(2) of this section, if:

(i) the human subjects are elected or appointed public officials or candidates for public office; or (ii) federal statute(s) require(s) without exception that the confidentiality of the personally identifiable information will be maintained throughout the research and thereafter.

(4) Research involving the collection or study of existing data, documents, records, pathological specimens, or diagnostic specimens, if these sources are publicly available or if the information is recorded by the investigator in such a manner that subjects cannot be identified, directly or through identifiers linked to the subjects.

(5) Research and demonstration projects which are conducted by or subject to the approval of department or agency heads, and which are designed to study, evaluate, or otherwise examine:

(i) Public benefit or service programs; (ii) procedures for obtaining benefits or services under those programs; (iii) possible changes in or alternatives to those programs or procedures; or (iv) possible changes in methods or levels of payment for benefits or services under those programs.

(6) Taste and food quality evaluation and consumer acceptance studies, (i) if wholesome foods without additives are consumed or (ii) if a food is consumed that contains a food ingredient at or below the level and for a use found to be safe, or agricultural chemical or environmental contaminant at or below the level found to be safe, by the Food and Drug Administration or approved by the Environmental Protection Agency or the Food Safety and Inspection Service of the U.S. Department of Agriculture.

(c) Department or agency heads retain final judgment as to whether a particular activity is covered by this policy.

II. Internal Revenue Service Code

Form 1099-MISC

Form 1099-MISC, Miscellaneous Income, is most commonly used by third-party payers to report payments made in the course of a trade or business to others for services. Third-party payers should report the following on Form 1099-MISC:

- Payments of \$600 or more for services performed by persons not treated as employees.

III. Procedure

- a. In order to comply with this IRS regulation for those studies involving Human Subjects but are exempt from the DHHS regulations (i.e., research on regular and special education instructional strategies, survey procedures, interview procedures or observation of public behavior), AP requires a listing of individuals receiving payments or in-kind payments. This listing should include the individual name, social security number and the signature of the individual receiving the payment or in-kind payment. Under no circumstances should the research or any responses to the research be disclosed to AP.
- b. In order to comply with this IRS regulation for those studies involving Human Subjects but are **NOT** exempt from the DHHS regulations, AP requires that the Principal Investigator maintain a listing of individuals receiving payments or in-kind payments. This listing should include the individual name, social security number and the signature of the individual receiving the payment or in-kind payment. The Principal Investigator and a corroborating individual must certify in writing to Accounts Payable that the Principal Investigator is in possession of the list and that the payments or in-kind payments have been made to research participants. Under no circumstances should the research or any responses to the research be disclosed to AP.
- c. Cash for payments to participants may be requested prior to the research activity from the Cashier's Office and the complying (list or certification) provided after the research has been conducted.
- d. In-kind non-cash payments (i.e. gift cards) may be obtained using a Procurement Card and the complying (list or certification) provided after the research has been conducted.

- e. Reimbursement of the cash payment or in-kind payment may be made after the research has been conducted and the complying (list or certification) provided at the time of the reimbursement request.