Agenda

• What is a Human Subject?
• Reporting Obligations
• Supplier Set-Up and Handling High Risk Confidential Information (HRCI)
• Policy Highlights
• Caveats
• Scenario Examples
• Processing Payments
• Pop Quiz
• Additional References
What is a Human Subject?

• 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.

• Broadly speaking, if the research involves intervention or interaction with human subjects or obtains identifiable data about them. Please contact the Committee on the Use of Human Subjects in Research (CUHS), Harvard University-Area (HUA) for projects form FAS, GSE, HKS, HKS, HLS, SEAS, GSD, HDS, and the Radcliffe Institute. The Office of Regulatory Affairs and Research Compliance (ORARC) Longwood Medical Area handles projects reviewed by the HMS/HSDM IRB, the Committee on Human Studies and the HSPH IRB.

• IRB review is required for all human subject research; regardless of funding source.

• This policy assumes that the Principal Investigator (PI) or researcher has obtained IRB review.
What is NOT a Human Subject Payment

**Participant Support Costs:** Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects. These must be budgeted appropriately and allowable by the grant. In those cases, the expenses are not human subject payments but are fellowships/grants/stipends or direct payments based on expense type. See [Sponsored Expenditures Guidance](#).

**Services Payments:** If an individual is performing services for Harvard (e.g., analyzing data collection), they would need to be classified and paid as an employee or independent contractor. See the [Independent Contractor Policy](#) for additional details.

**Reimbursements:** If Harvard is reimbursing a Human Subject to travel to campus for a study, these would be processed as a nonemployee reimbursement. [Harvard business-related Lyft account](#) may be appropriate to support supplemental, custom transportation programs, if allowed by local school policies.
Human Subject Reporting Obligations

As a payor, Harvard must satisfy certain IRS reporting obligations when making compensation payments to human subjects. Per Harvard’s policy, the below must be followed.

- Individual payments of $100 or less fall into the category of de minimis payments are not reported to the IRS and do not require collection of HRCI. These payments may be cash, gift cards/certificates, tangible items.

- Individual payments over $100 must be paid by check.

- U.S. citizens or permanent residents earning aggregate payments of $600 or more in a calendar year must be reported to the IRS on a Form 1099.
  - The $600 is cumulative across Harvard and includes payments made on the temporary payroll, prizes, grants or awards.

- Payments to foreign nationals are reported on a Form 1042 and may have tax withholding applied regardless of amount based on the location of activity and tax treaty status.
High-Risk Confidential Information (HRCI) does not need to be collected and kept by the Principal Investigator, unless it is integral to the study. If required, departments must adhere to security guidelines if HRCI must be collected.

HRCI includes a person's name in conjunction with the person's Social Security, credit or debit card, individual financial account, driver's license, state ID, or passport number, or a name in conjunction with biometric information or personally identifiable medical information about the named individual.

- Any materials containing HRCI must be kept in a locked location and destroyed in an appropriate manner when no longer required.
- Only necessary staff should handle HRCI.
- HRCI information should only be collected in person, by phone, mail or fax; it should never be emailed.
- See Information Security Policy.

Historically, Harvard collected HRCI when setting up Individuals as a vendor/supplier, the new Buy-to-Pay system reduces the need for Departments to collect HRCI. See Onboarding Supplier Options.
Onboarding Supplier Options

The two most common ways to onboard a new supplier are listed below. Using the “invite a supplier” option reduces the need for Harvard employees to see and view HRCI.

<table>
<thead>
<tr>
<th>Registration Option</th>
<th>Description</th>
<th>Required Information</th>
</tr>
</thead>
</table>
| Invite a Supplier   | A Harvard requestor sends a link to an individual or company, inviting them to self-register on our B2P Supplier Portal. | • Company or Individual  
• Legal Name  
• Email Address |
| Request a Supplier  | A Harvard requestor completes an online questionnaire to add a supplier in the B2P Supplier Portal. | • Company or Individual  
• Legal Name  
• Remit to Address  
• Email Address  
• Citizenship |

For foreign nationals where the activity was in the U.S., using “request a supplier” rather than “invite” will kick off the GLACIER request earlier in the onboarding process. Select “no” under the “Proxy” option. For foreign nationals who did not enter the U.S., tell them to select “NE-No Entry” as the visa type if they did not enter the U.S.
GLACIER Job Aid

Foreign Nationals being paid as Human Subjects with a U.S. based location of activity, should select the following boxes in GLACIER

<table>
<thead>
<tr>
<th>Relationship</th>
<th>What is your relationship with Harvard University?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Employee/Faculty/Staff</td>
<td>☐ Compensation/Salary/Wages</td>
</tr>
<tr>
<td>☐ Student Worker/Graduate Teaching/Research Asst</td>
<td></td>
</tr>
<tr>
<td>☐ Stipend/Scholarship/Fellowship/Grant Recipient</td>
<td>☐ Scholarship or Fellowship Income (Non-Service)</td>
</tr>
<tr>
<td></td>
<td>☐ Grant Income</td>
</tr>
<tr>
<td>☐ Honoraria Recipient/Invited Guest/Guest Speaker</td>
<td>☐ Honoraria or Guest Speaker Fee</td>
</tr>
<tr>
<td>☑ Consultant/Independent Contractor</td>
<td>☑ Consulting Fee/Independent Services Payment</td>
</tr>
<tr>
<td>☐ Artist/Performer</td>
<td>☐ Service Payments to Artist/Performers</td>
</tr>
<tr>
<td>☐ Industrial Royalty Recipient</td>
<td>☐ Industrial Royalty or Patent</td>
</tr>
<tr>
<td>☐ Copyright or Royalty Recipient</td>
<td>☐ Copyright or Royalty Income</td>
</tr>
<tr>
<td>☐ Other</td>
<td>☐ Prize/Award/Loan Forgiveness/Other</td>
</tr>
<tr>
<td></td>
<td>☐ Travel Reimbursements</td>
</tr>
<tr>
<td></td>
<td>☐ No Income (I DO NOT currently receive payments from Harvard University)</td>
</tr>
</tbody>
</table>
Policy Highlights

Individual Payments of $100 or less

- May be made by cash, gift certificate, gift cards or tangible gifts.
- No need to set up as a supplier or collect HRCI (unless required / integral to the study).
- Signed receipt or acknowledgement of payment required containing the following information:
  - Fund distribution date
  - Amount distributed
  - Study location
  - Name of study
  - Acknowledgement of receipt or distribution of funds
  - Full name of subject (not required, best practice)
# Receipt Example

**Human Subjects Log**

**Study Name:**

**Study Location:**

**Principal Investigator**

Note: If a U.S.-based study and individual payment(s) are over $100 or you expect to receive more than $600 in a calendar year you must be paid by check. If you are a Foreign National being paid by check, you may also be taxed (up to 30%) on your earnings depending on IRS regulations and Harvard University policies in conjunction with your home country taxation laws.

A Harvard PII/Researcher must be aware of and fulfill any tax reporting obligations of the country in which the study is conducted. [Contact Global Support Services with questions.](#)

<table>
<thead>
<tr>
<th>Date Paid</th>
<th>Subject Name</th>
<th>Subject Signature or Initials</th>
<th>Gift Card Type</th>
<th>Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/1/2017</td>
<td>John Harvard</td>
<td></td>
<td>Amazon Gift Card</td>
<td>$25.00</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
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<td>5</td>
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</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HLC QIP Brown Bag 02/14/2022
Individual Payments of more than $100

• Payment must be made by check*

• If human subject completes supplier set-up process in the B2P system, department does not handle any HRCI. If department helps collect set-up documentation, it should be deleted after uploading into supplier portal and individual actived as a supplier.

• If individual earns $600 or greater in a tax year from all Harvard funding sources, they will be sent a 1099 or 1042-S at the end of the tax year.

• Foreign nationals must complete GLACIER and have appropriate authorization to be paid by check if activity located in the U.S. Certain VISA types may not allow payments.

*Some exceptions may apply if study is completed overseas, and individual is a non-resident alien. See the full policy for details.
Caveats

• If a U.S.-based study participant expects to receive $600 or more in a calendar year (e.g., receives monthly $80 payments for 12 months), all payments must be made via check.

• In rare circumstances where a study’s research integrity will be affected in a material, negative way unless compensation is made in cash over $100, an exception with approval from the Tub’s Financial Dean or equivalent is available. The department is responsible for tracking all calendar-year cash payments over $100, for collecting appropriate participant information (including name, address, and SSN or ITIN), and forwarding this information to Central Accounts Payable in early January of the subsequent calendar year.

• Certain restrictions apply when paying a minor. See the policy for additional information.
# Scenario Examples

## U.S.-Based Study

<table>
<thead>
<tr>
<th>Pay by</th>
<th>Value $100 or less</th>
<th>Value over $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bank/Gift Card</td>
<td>• Signed receipt or acknowledgment of payment log. Keep on file with PI/Office.</td>
<td></td>
</tr>
<tr>
<td>• Cash</td>
<td>• Best Practice: Collect full legal name at time of payment and keep on file with PI/Office.</td>
<td></td>
</tr>
<tr>
<td>• Gifts In-Kind Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Check</td>
<td>Harvard sends invitation to individual to register in the <a href="#">Supplier Portal</a>.</td>
<td>Harvard sends invitation to individual to register in the <a href="#">Supplier Portal</a>.</td>
</tr>
<tr>
<td></td>
<td>• U.S. Citizen – will complete <a href="#">W-9</a> in the Supplier Portal</td>
<td>• U.S. Citizen – will complete <a href="#">W-9</a> in the Supplier Portal</td>
</tr>
<tr>
<td></td>
<td>• Foreign National – will complete and submit <a href="#">GLACIER</a> paperwork in supplier portal (includes Form W-8).</td>
<td>• Foreign National – will complete and submit <a href="#">GLACIER</a> paperwork in supplier portal (includes Form W-8).</td>
</tr>
<tr>
<td></td>
<td>• Submit <a href="#">Payment in Lieu of Invoice</a> or other invoice when processing payment.</td>
<td>• Submit <a href="#">Payment in Lieu of Invoice</a> or other invoice when processing payment.</td>
</tr>
</tbody>
</table>
## Scenario Examples

### Foreign-Based Study – U.S. Tax Resident

<table>
<thead>
<tr>
<th>Pay by</th>
<th>Value $100 or less</th>
<th>Value over $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bank/Gift Card</td>
<td>• Signed receipt or acknowledgment of payment log. Keep on file with PI/Office.</td>
<td></td>
</tr>
<tr>
<td>• Cash</td>
<td>• Best Practice: Collect full legal name at time of payment and keep on file with PI/Office.</td>
<td></td>
</tr>
<tr>
<td>• Gifts In-Kind Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Check</td>
<td>Harvard sends invitation to individual to register in the Supplier Portal.</td>
<td>Harvard sends invitation to individual to register in the Supplier Portal.</td>
</tr>
<tr>
<td></td>
<td>• U.S. Citizen – will complete W-9 in the Supplier Portal</td>
<td>• U.S. Citizen – will complete W-9 in the Supplier Portal</td>
</tr>
<tr>
<td></td>
<td>• Submit Payment in Lieu of Invoice or other invoice when processing payment.</td>
<td>• Submit Payment in Lieu of Invoice or other invoice when processing payment.</td>
</tr>
</tbody>
</table>
A PI/Researchers conducting a foreign-based study must be aware of and fulfill any tax obligations of the country in which the study is being conducted. Contact GSS with questions.
Standard Human Subject Payments Policy Decision Tree

U.S.-Based Study
Study is taking place in the U.S.

Payment is $100 or less (e.g., $100.00)

Pay by:
- Cash
- Bank Gift Card
- Other Gift Card/Certificate
- In-kind Items (books, DVDs, etc.)

To pay by check, follow the Pay by Check process listed at right

Payment is over $100 (e.g., $100.01)

Pay by Check
Follow instructions on department checklist to set individual up as a vendor

Foreign-Based Study
Study is taking place outside of the U.S.

Payment is over $100 (e.g., $100.01)

Foreign National
Foreign nationals may receive cash, bank or other gift card/certificates or in-kind items with a value over $100. This is considered foreign sourced income and not subject to taxes.

Pay by:
- Cash
- Bank Gift Card
- Other Gift Card/Certificate
- In-kind Items (books, DVDs, etc.)

To pay by check, follow the Pay by Check process listed at right

Payment is $100 or less (e.g., $100.00)

Please note the following:

- Refer to the full Human Subject Payments policy for additional information.

- If a U.S-based study participant expects to receive over $600 in a calendar year (e.g., will receive monthly $50 payments for 12 months), all payments made to the participant must be made via check.

- Social security numbers (SSNs) and Tax ID Numbers (TINs) are high-risk confidential information. Researchers should not store forms containing these, but should work with their business/finance office to arrange prompt, secure handoff.
Processing Payments

Payment Mechanism
- Cash payments can be made from Short Term Operating Accounts (STOA) or petty cash accounts, depending on local policy.
- Check payments must be made via central Accounts Payable.
- Gift cards and in-kind items of $100 or less can be purchased via B2P, declining balance card or corporate card if B2P is not a viable option.
- Personal funds with reimbursement is not allowed.
- When processing payments for gift cards, document the number of recipients and amount received in the business purpose (e.g., 20 gift cards at $25 each for Study X on DATE).

Preserve Confidentiality
- No HRCI should appear on invoices or be submitted with payment request supporting documentation.

Object Codes
- Use object code 8273 – Subject Payments^Other Services
- Object code 8273 should not be used to pay for research services, data analysis, survey software or on-line survey tools or data collection (e.g., SurveyMonkey, Qualtrix). See Human Subject Payment Policy for suggested object codes.
Give detailed Business Purpose and Identify Location of Activity

• For correct tax determination, be sure to identify the location of the activity.
  ▪ Generally, the location of the activity would be where a service is being performed, property is being rented, or the location where fellowship income is expected to be utilized in support of one’s scholarship or research.
B2P Tips and Tricks – Payment Request (PR)

• All payments to foreign entities and individuals are placed in a queue for tax review.
• Make sure the type of transaction matches the description and invoice details (e.g., don’t select “Other” as type of transaction, but note “commencement guest speaker” in the description and attachment is an award letter for a prize).
• Attach an invoice, in lieu of form, agreement, email correspondence.

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
</table>
| ① Type of Transaction | • Select the most appropriate type of transaction.  
• Only select “Other” if the transaction does not match one of the options listed (e.g., loan forgiveness, human subject payment, consulting, etc.).  
• Selecting “Other” can delay review and processing since it goes into a larger queue for tax review. |
| ② Description | Put in a detailed business purpose/description (what, where, when, why). Note the location of the activity/service. |
| ③ Internal Attachments | Attach an invoice or in lieu of form. This documentation shows what the payment is for and why the requestor is initiating the transaction. Documentation can be an invoice, in lieu of form, agreement, contract, or correspondence that documents the business purpose (who, what, where, when, why, how). |
| ④ Location of Activity | Where is the service being performed, property being rented, or the location where fellowship income is expected to be utilized. |
Q: I want to pay a participant 3 payments of $100 each. Can I give them gift certificates for each payment?
A: Yes you can. The payments are $100 or less and the cumulative amount is under $600. If you expect the individual to earn $600 or more in aggregate payments in a calendar year, you may want to process these payments by check or notify Accounts Payable at the end of the calendar year.

Q: I am reimbursing human subjects for cab fare to Harvard to participate in a study. What object code do I use?
A: Reimbursements for actual travel expenses (e.g., parking, mileage, or tolls) are not considered compensation by the University or the IRS and can be processed as a Non-Employee Reimbursement using the appropriate object code. Schools may also want to investigate setting up a business-related account to support supplemental, custom transportation through Lyft.

Q: How do I process a payment over $100 to a Harvard employee?
A: What type of services were offered?

It is generally assumed that any Harvard employee participating in a human subject study will perform services that are substantially unrelated to his or her regular Harvard job. In such cases, human subject payments to Harvard employees must be processed as Payment Requests (rather than as reimbursements).

For example, an employee completes a questionnaire regarding their retirement plan. Their study participation is not similar to their regular job duties and would be paid as a payment request if the payment is over $100.

In the very rare situation that the services a Harvard employee performs are in fact substantially similar to his or her regular Harvard job, the human subject payment must be paid as additional pay through the University’s payroll system; contact your local payroll office for more information.
Q: Do I need to worry about any tax implications when making payments to human subjects in other countries?

A: Yes - A Harvard PI/Researcher must be aware of and fulfill any tax reporting obligations of the country in which the study is conducted. Contact Global Support Services with questions.

Q: Is it ok to use an on-line survey tool such as Amazon’s Mechanical Turk.

A: Yes. While on-line survey tools such as Mechanical Turk (MTurk), RapidWorkers, Swagbucks, etc. do not require the participant’s name a unique identifier (such as a worker ID) is collected. A report showing worker ID, date of payment and payment amount, may act as a receipt showing participation in the study. Ensure all online tools satisfy the University’s Enterprise Information Security Policy and Cloud Service Providers as well as follow the Independent Contractor Policy.
Additional Materials

Committee on the Use of Human Subjects – Campus Area
Enterprise Security Policy
Foreign Individuals and W-8 Forms
GLACIER
Global Support Services
Human Subjects Payments
Independent Contractor Policy
Office of Human Research Administration for the Longwood Medical Area
Office of the Vice Provost for Research
PI Guide
Policy for the Safety and Protection of Minors
Supplier Set-Up Information
VISA Types of Foreign National Guest Speakers
Definitions

Human Subject as Defined by DHHS: A living individual about whom an investigator (whether professional or student) conducting research obtains (1) data through Intervention or Interaction with the individual, or (2) information that is both Private Information and Identifiable Information.

For the purpose of this definition:

- **Intervention:** Physical procedures by which data are gathered (for example, venipuncture) and manipulations of the subject or the subject’s environment that are performed for research purposes.
- **Interaction:** Communication or interpersonal contact between investigator and subject.
- **Private Information:** Information about behavior that occurs in a context in which an individual can reasonably expect that no observation or recording is taking place, and information which has been provided for specific purposes by an individual and which the individual can reasonably expect will not be made public (for example, a medical record).
- **Identifiable Information:** Information that is individually identifiable (i.e., the identity of the subject is or may readily be ascertained by the investigator or associated with the information).
Complete Supplier and Visa Type Inactivation Dates

For foreign nationals not entering the U.S., have them select “NE – No Entry” if they are not entering the U.S.

<table>
<thead>
<tr>
<th>Supplier Type</th>
<th>Inactivation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Any suppliers with no activity for two years will be automatically inactivated</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Business Expense Reimbursement – Foreign (BER)</strong></td>
<td>90 days from activation date</td>
</tr>
<tr>
<td><strong>Individual – Non-US Citizen</strong> (A visa type is required for Individual – Non-US Citizens, a sample of visa types is below)</td>
<td></td>
</tr>
<tr>
<td>ADVTR – Advance Travel Request (always taxable)</td>
<td>90 days from activation date</td>
</tr>
<tr>
<td>NA – Not Applicable/Unknown</td>
<td>Should be switched to another visa type by supplier or Supplier Onboarding Team</td>
</tr>
<tr>
<td><strong>NE – No Entry (use if individual not entering the U.S.)</strong></td>
<td>90 days from activation date</td>
</tr>
<tr>
<td>NE-RC – No Entry Royalty Payment (taxable)</td>
<td>2 years from activation date</td>
</tr>
<tr>
<td><strong>All other visa types</strong></td>
<td>Based on immigration documentation end dates</td>
</tr>
<tr>
<td><strong>Individual: US Citizen/ Perm Res.</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>