



RESEARCH INCENTIVE PAYMENTS POLICY

PURPOSE:

To provide documentation and reporting guidance to University faculty/staff involved in processing payments to research subjects while still maintaining appropriate levels of confidentiality and minimizing administrative burden when possible.

SCOPE:

This policy establishes requirements for funded projects managed by CSUSM Corporation. This policy applies to research incentive payments to individuals participating as human subjects in research projects. Incentives, including cash payments and non-cash incentives, are collectively referred to as “incentives” in the remainder of this policy.

POLICY:

I. Participation Incentives

To compensate for participation in a research study, incentives may be provided to individuals if allowed by a contract or grant, or other CSUSM Corporation funding sources, and made in accordance with applicable laws, regulations, and all CSUSM Corporation policies and procedures. Incentive payments are not allowable for the exchange of services (wages, salaries) nor in lieu of grant-funded stipends or scholarships.

II. IRS Regulations

The IRS treats research subject payments – checks, cash, gift cards or other items of value – as taxable income to the recipient. IRS reporting requirements for CSUSM Corporation depend on the amount paid and the recipient’s tax status.

In the event of an IRS or sponsor audit/request, it is the responsibility of the Principal Investigator/Project Director (PI) and their unit to provide appropriate supporting documentation applicable to the payment method to support each payment. Documentation must be retained in accordance with the CSUSM Corporation Records Retention Policy.

III. Payments

Payments to research subjects must adhere to the CSUSM Cash Handling Policy and are required to keep all incentives carefully tracked and safeguarded while collecting the appropriate information and use the appropriate payment method/procedure.

a) Employee

The value of all incentives given to participants who are CSUSM or CSUSM Corporation employees (faculty, staff, and student employees), regardless of amount, must be reported to Payroll. All amounts will be added to the participant’s wages and reported on the participant’s W-2 with proper tax withholdings. Incentives to employees must comply with all policies, including those pertaining to compensation and conflict of interest.

b) Non-Employee

The value of certain incentives made to non-CSUSM or non-CSUSM Corporation employees may be reportable to the IRS. Incentives to any individual must be kept below \$600 in any calendar year in order to not collect the necessary information for IRS Form 1099 reporting.

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IV. Human Research Subjects Protocols

The approved IRB protocol is required prior to OSP approving research incentive payments.

REFERENCES:

[CSUSM Corporation Policies and Procedures](#)

[Uniform Guidance Frequently Asked Questions](#)

[CSUSM Corporation Gift Card Purchasing Procedures](#)

[CSUSM Cash Handling Policy](#)

[CSUSM Corporation Records Retention Policy](#)

[CSUSM Payments to Students Policy](#)

Research Incentive Payment Procedures (under development)