

 <b>Research &amp; Sponsored Programs</b> UNIVERSITY OF DENVER	<b>Office of Research and Sponsored Programs Policy Manual</b>  <b>Sponsored Program Participant Payments</b>
Supersedes Document Dated: 07/01/2018; 05/16/2021; 08/20/2023	Policy Number: ORSP-17
<b>Recommended By:</b> Associate Vice Chancellor for Finance and Controller; Director of Sponsored Programs Administration <b>Approved By:</b> Senior Vice Provost for Research and Graduate Education	Effective Date: 02/13/2026

## 1. PURPOSE

To assist researchers in meeting the goals of their research and establish the payment process that University employees will utilize to compensate Human Subject Research Participants and comply with Internal Revenue Service (IRS) regulations.

## 2. DEFINITIONS

- 2.1. Sponsored Program Participants are people that participate in a Sponsored Program and are compensated in a fixed amount for their engagement therewith .
- 2.2. Principal Investigator is a University employee that leads a given program or project and is responsible for the proper conduct of research or other activity described in the proposal, grant, or instrument of agreement for the specific program or project.
- 2.3. University Financial Services manages the University's central payroll, disbursements, and procurement functions.
- 2.4. Department Administrator is a University employee having administrative duties including the input of transactions into the University's financial system (Banner).
- 2.5. Sponsored Programs are programs or projects that are funded by an external entity through a written agreement (grant, agreement, or other instrument) with the University. Sponsored Programs include specific research, training, or service programs and projects.

## 3. POLICY

- 3.1. All University departments will utilize a standard process to compensate Sponsored Program Participants for their participation in a study by utilizing one of three approved methods for paying Sponsored Program Participants including gift cards (electronic or physical), cash, or check.
- 3.2. The IRS requires all payments excess of two thousand dollars (\$2,000) in a calendar year to be reported using the IRS Form 1099. Departments will take all steps necessary to comply with IRS regulation. The

Principal Investigator will monitor compliance with this section.

- 3.3. Departments will maintain the privacy of all Sponsored Program Participants while maintaining a record of all payments made to the Sponsored Program Participant in compliance with the University policy on [Central Business Files \(FINA 2.10.010\)](#).
- 3.4. Requests for Sponsored Program Participant payments must occur in advance of the distribution of payments.
- 3.5. Sponsored Program Participant payments must be timely reconciled and will not be permitted outside the period of Sponsored Program performance or if not Sponsored Program funds are available.

#### **4. PROCESS**

- 4.1. The Principal Investigator will advise in writing a perspective Sponsored Program Participant of the amount of and method by which the Sponsored Program Participant will be compensated for participation in the research study. Such advisory must be included in any solicitation used to recruit participants for the Sponsored Program and during any screening for eligibility to participate in the Sponsored Program.
- 4.2. Sponsored Program Participants may be compensated by check, cash or gift card (physical or electronic),. Principal Investigators will track if the Sponsored Program Participant have received any type of compensation from the University that is in excess of two thousand dollars (\$2,000) in any single calendar year. If this is the case the Principal Investigator must collaborate with University Financial Services (UFS) to properly track payments for reporting to the IRS regulation.
- 4.3. To compensate a Sponsored Program Participant by cash the following will take place:
  - 4.3.1. The Principal Investigator will submit a completed [Cash Advance Request for Sponsored Program Payments form](#) to the department business officer, who will review the form, attest to its accuracy and sign the form.
  - 4.3.2. The department business officer will submit the Cash Advance Request for Sponsored Program Payments form to the Office of Research and Sponsored Programs (ORSP), following the directions contained in the form.
  - 4.3.3. ORSP will review the approved Cash Advance Request for Sponsored Program Payments form to verify that sufficient funds and time are available in the applicable account to pay the Sponsored Programs Participant in the detailed amount.
  - 4.3.4. The department must then comply with the [University Cash Handling procedures](#).
  - 4.3.5. The Custodian of the Cash Advance is the employee responsible for the cash. They will also be the named Payee on the Cash Advance Check.
  - 4.3.6. The [Reconciliation of Cash Advances for Sponsored Program Payments](#) form and de-identified Sponsored Program Participant Payment Disbursement Log must be returned to ORSP within 90 days of the request
  - 4.3.7. Once the ORSP receives the reconciliation form, a reallocation will be submitted to transfer the actual expense from the departments operating budget, (fund 10000 "Program Expendable" account 727400), to the appropriate Sponsored Program fund using the "Human Subject Payment" account (724070).  
Any unused cash must be returned to department business officer who will deposit the cash back into the account it originated from
- 4.4. To compensate a Human Subject Participant by electronic gift card the following will take place:

- 4.4.1. The Principal Investigator will submit a completed [Sponsored Program Electronic Gift Card Request form](#) to the department business officer, who will review the form, attest to its accuracy and sign the form.
- 4.4.2. The department business officer will submit the approved [Sponsored Program Electronic Gift Card Request form](#) to the Office of Research and Sponsored Programs (ORSP), following the directions contained in the form.
- 4.4.3. ORSP will review the approved [Sponsored Programs Electronic Gift Card Request form](#) to verify that sufficient funds and time are available in the applicable account to pay the Human Subject Participant in the detailed amount.
- 4.4.4. Once the [Sponsored Programs Gift Card Request form](#) is verified by ORSP it is returned to the Principal Investigator and together with the department business officer may purchase gift cards on a departmental P-Card. Electronic Gift Card Payments that are made directly to participants can be reconciled directly to the Grant Fund using 724070 (Human Subject Payment).
- 4.4.5. For studies requiring electronic gift card payments over a span of several months, use this form to request only the funds necessary to cover a 30-day period.
- 4.4.6..
- 4.5. To compensate a Sponsored Program Participant by physical gift card the following will take place:
  - 4.5.1. The Principal Investigator will submit a completed [Sponsored Program Payment Gift Card Request form](#) to the department business officer, who will review the form, attest to its accuracy and sign the form.
  - 4.5.2. The department business officer will submit the approved [Sponsored Program Payment Gift Card Request form](#) to the Office of Research and Sponsored Programs (ORSP), following the directions contained in the form.
  - 4.5.3. ORSP will review the approved Sponsored Program [Payment Gift Card Request form](#) to verify that sufficient funds and time are available in the applicable account to pay the Human Subject Participant in the detailed amount.
  - 4.5.4. Once the Sponsored Program [Payment Gift Card Request form](#) is verified by ORSP it is returned to the Principal Investigator and together with the department business officer the gift cards may be purchased on a departmental P-Card. P-Card charges for gift cards must be allocated to the unit's operating budget (fund 10000 using the "Gift Card Advance" account 723570).
  - 4.5.5. No longer than ninety (90) days after the first purchase of electronic gift cards and quarterly thereafter, the Principal Investigator will complete the [Gift Card Reconciliation form](#) and submit the completed form to ORSP.
- 4.6. To compensate a Sponsored Program Participant by check the following will take place:
  - 4.6.1. The Principal Investigator will submit a completed [Sponsored Program Payment Check Request form](#) to the department business officer, who will review the form and attest to its accuracy.
  - 4.6.2. The Principal Investigator will include the University identification number for the Human Subject Research Participant on the [Sponsored Program Payment Check Request form](#).
  - 4.6.3. The department business officer will submit the approved [Sponsored Program Payment Check Request form](#) to ORSP, following the directions contained in the form.
  - 4.6.4. ORSP will review the approved [Sponsored Program Payment Check Request form](#) to verify that sufficient funds are available in the applicable research account to pay the Sponsored Program Participant in the detailed amount.
  - 4.6.5. Once the [Sponsored Program Payment Check Request form](#) is verified by ORSP, ORSP submits the verified [Sponsored Program Payment Check Request form](#) to UFS who will process the request and

issue a check in the specified amount. Checks will be mailed directly to the Sponsored Program Participant.

## **5. RESOURCES**

### 5.1. [Central on Central Business Files – FINA 2.10.010](#)