

Required Compliance Practice

Providing Research or Survey Participant Incentives

Authority

RCW 42.52	Ethics in Public Services
SAAM Chapter 20	Internal Controls
Internal Revenue Service	Reporting Miscellaneous Income
POL-U4520.02	Addressing Responsible Conduct of Research
POL-U4520.08	Protecting Human Participants in Research

Compliance Owners

Vice President for Research and Sponsored Programs, Compliance Owner
Ethics Officer, Human Resources, Compliance Co-owner
Director, Financial Services, Compliance Co-Owner

Purpose

This required practice helps ensure University compliance with complex, multiple external and internal requirements that govern small payments to recruit or encourage participation in research and survey projects involving human subjects. The primary objectives of this practice are to ensure:

- Funds are spent appropriately for business purposes related to the University's mission,
- Processes are in place to ensure compliance with tax reporting and grant requirements, and
- Controls are in place to ensure the protection of human research/survey participants including their non-public personal information.

Definitions

Cash Equivalent Incentives	Stored-value products such as gift certificates and gift cards. The IRS specifically defines these instruments as cash equivalents and states that their value is considered taxable income to the recipient, regardless of dollar value.
Non-Cash Equivalent Incentives	Any tangible product with a nominal value such as a coffee mug or complimentary single event tickets.

Pre-Approval Required

Prior to purchasing and issuing incentives to research or survey participants, written approval is required using the [Request to Purchase Research/Survey Participant Incentives e-sign Form](#).

Allowable Incentives

Cash Incentives	Are strictly prohibited unless an exception is granted by Research and Sponsored programs, the Director of Financial Services, and the University Internal Control Officer.
Cash Equivalent Incentives	To ensure compliance with state internal control requirements, cash equivalent incentives must be provided in the form of electronic gift cards unless an exception is granted.
Non-cash Equivalent Incentives	RSP approval required and must comply with University purchasing requirements.

University Reporting Requirements

Payment incentives made to individuals for research or survey participation are considered taxable payments for services and are subject to IRS income reporting requirements.

The IRS requires the University to report:

- To the IRS, all payments made to any single individual (who is not a WWU employee or student) in any calendar year that aggregate to \$600.00 or more,
- To the IRS, all payments made to a WWU employee or student regardless of the incentive amount, and
- To the recipients, all payments made to them in any single calendar year that aggregate to \$600.00 or more on IRS Form 1099-MISC (for US citizens and permanent residents). For non-residential aliens, the University is required to report these payments using IRS Form 1042-S.

On-line Surveys/Research Incentive Threshold Amount:

The University has established a threshold of \$75.00 per participant when conducting an **on-line** survey or research project.

This threshold was established to deter a single participant from receiving incentives from WWU that total \$600.00 or more in a single calendar year. The threshold eliminates the unnecessary collection of non-public data (i.e. SSN) and thereby supports the University's efforts to protect participants' sensitive information.

For requests to exceed the threshold amount, a thorough review by Research and Sponsored Programs and the Associate Controller is required.

Internal Controls

The University requires e-gift cards to be purchased through Amazon.com or other on-line site that provides sufficient documentation to meet internal control standards. An exception must be approved for alternative forms of incentives including cash.

The Principal Investigator for research projects and the Survey Administrator for survey projects are responsible for assuring adequate controls and security are implemented in the purchase and reconciliation process.

Required Procedures

[Procedures:](#) Purchasing Gift Cards for Research/Survey Participant Incentives – In Person Participants Only

[Procedures:](#) Purchasing Gift Cards for Research/Survey Participant Incentives – Online Participants Only
[Under Construction]

[Procedures:](#) Gift Card Inventory Internal Controls

[Procedures:](#) Reconciling Gift Card Purchases (For In-Person Participants)

Forms

[Form:](#) Request to Purchase Research/Survey Participant Incentives Form

[Form:](#) Gift Card Acknowledgement Form - template

[Form:](#) W-9 IRS Form