

**UNIVERSITY of HOUSTON**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Finance and Accounting**  
**AREA: Expenditure Management**

**Number: 05.02.04**

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**SUBJECT: Payments to Human Subjects and Trainees  
defined as Participants in Sponsored Projects**

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**I. PURPOSE AND SCOPE**

This document prescribes the requirements and the mechanisms for making payments to human subjects and ~~participants~~ Participants who are separately budgeted and accounted for under participant-cost in sponsored projects. This document applies to human subject and Participant and participant monetary payments charged to any university cost center. Those payments involving funds other than sponsored project funds must follow these payment guidelines for Human Subject, but such payments do not involve the approval of the ~~Office of Contracts and Grants~~ Division of Research (DOR)

**II. DEFINITIONS**

- A. Cash: For this document, dollars and cents (currency), personal or institutional bank drafts (checks), money orders, cashiers' checks, or travelers' checks.
- B. Currency: For this document, U.S.A. money: dollars and coins.
- C. Employee: An individual performing services subject to the will and control of the university in terms of what must be done and how it will be done and how it will be paid through the payroll system.
- D. Human subjects: Individuals whose physiological or behavioral characteristics and responses are the object of study in a research project. Under federal regulations, human subjects are defined as: living individuals about whom an investigator conducting research obtains: (1) data through intervention or interaction with the individual, or (2) identifiable private information.
- E. Participants: A participant is a non-employee who is the recipient of a service or training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. They are not required to provide any deliverable, other than meeting the program requirements (e.g. attendance) Individuals who agree to participate in an event or program funded under a sponsored agreement and who will receive a payment for their participation and/or reimbursement of expenses as allowed by the programmatic guidelines and approved by the funding agency. These individuals are not the objects of a human subject study, but they are contributors to the program objectives; and their contribution in and of itself does not constitute an employee-employer relationship, consultant relationship, or service provider relationship.

**III. POLICY STATEMENT**

- A. University sponsored projects may involve human subjects or other ~~participant~~ Participants who are paid for their contribution to the project. Payments to these individuals, the accompanying record keeping, and the protection of ~~human-~~

~~subject/participant human-subject~~-confidentiality must comply with the guidelines of the funding agency, the ~~Office of Contracts and Grants~~DOR, and this document, as well as those of the researchers and the Office of General Counsel.

## IV. PROCEDURES - GENERAL

- A. To accommodate the nature and needs of the individual sponsored research project, the university offers optional methods of providing payment to human subjects and other human participants. The university is responsible for maintaining records of the total amount paid annually to each human subject ~~and~~/participant. When the total amount paid to a non-employee reaches \$600 in a calendar year, the university is required to report such payments to the individual and the Internal Revenue Service (IRS) on [form 1099 MISC](#).
- B. At the beginning of the human subject ~~and /participant trainee~~ participation, the human subject ~~or and participant trainee~~ shall acknowledge whether he/she is an employee of the University of Houston System. In each case where the human subject ~~ander participant~~Participant is an employee, they ~~employee/human subject/participant~~ will be paid through the university payroll system rather than by voucher.
- C. In each case, departments shall maintain records on each ~~human subject/participant~~ ~~human-subject and Participant~~, including to the extent possible ~~the human subject or participant's~~ name, address, social security number, and calendar year-to-date payment amounts. To both ensure confidentiality and secure maximum data and information, it may be necessary to identify ~~the human subjects~~ through a cross-referenced human subject identification number.
- D. In studies where it is anticipated that complete human subject information may not be readily available, where the human subjects are not university employees, and where token payments or non-monetary rewards are involved, the appropriate record-keeping methods shall be arranged ahead of time with ~~the Office of Contracts and Grants DOR~~ [Institutional Review Board \(IRB\) approved protocols](#) and Accounts Payable.
- E. The ~~Office of Contracts and Grants DOR, and~~ the UH Director of Accounts Payable and Director of Tax Compliance may be consulted about compliance issues related to payments to human subjects ~~/participants and Participants~~.
- F. The ~~Office of Research Policies, Compliance and Committees DOR Research Integrity and Oversight (RIO) office~~ will work with the principal investigator and/or business manager, as needed, to provide direction regarding issues of confidentiality.
- G. All vouchers and other expenditure request documents involving payments to human ~~subjects/participants~~ ~~subjects and Participants~~ require the approval of the principal investigator, ~~and the Office of Contracts and Grants when sponsored project funds are involved~~.
- H. Funds advanced in accordance with [MAPP 05.01.02](#), Operational Cash Advances, but not adequately substantiated in a timely manner in accordance with that MAPP, will be reported as compensation to the cash custodian to whom the funds were advanced. The department will be required to provide a non-project cost center for this purpose.
- I. The appropriate expense account(s) shall be used to record payments to participants:
- 54810 - Human Subject Testing (Taxable)
  - 54817 - Participant Travel Expenses (Non-Taxable)
  - 54818 - Participant Non-Travel Expenses (Non-Taxable)
- J. When a department handles cash in providing payments to human subjects and

participants, funds must be secured and handled in accordance with the principles established for fund/cash custodians in [MAPP 05.01.01](#) on Cash Handling.

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**Payments to Human ~~Subjects/Participants~~ Subjects and Trainee defined as Participants in  
Sponsored Projects MAPP 05.02.04**

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- K. Each department involved in research with human subjects and ~~participant~~ Participants must have detailed procedures in place for reconciling subject payment records on a monthly basis.

V. OPTIONAL PAYMENT PROCESSES

- A. An Operational Cash Advance may be obtained through Accounts Payable under the terms of [MAPP 05.01.02](#). The department prepares a voucher payable to a custodian using account 12102, Accounts Receivable, and an Accounts Payable cost center and submits the voucher to Accounts Payable. The Operational Cash Advance will be issued to the custodian who is responsible for maintaining the fund and the fund disbursement records. Upon completion of the program, the department must prepare a journal to record expenses, deposit any remaining funds, and clear the cash advance recorded on account 12102. The following is an example of the journal to record expense and clear the cash advance in account 12102.

Scenario: Operational Cash Advance of \$320.00 was issued. A total of \$300.00 was distributed to human subjects. After the completion of the project, the department has a remaining cash balance of \$20.00. The following journal entry records the \$300.00 expense and deposit of the remaining \$20.00.

Debit: 54810 (Department Cost Center)	300.00
Debit: 10510 (GL Account for UH Operating Bank Account)	20.00
Credit: 12102 (Accounts Payable Cost Center)	320.00

A list of human subjects who actually received payments, the amount received, date of payment, and their signatures must be attached to the journal as backup documentation.

- B. Other payment methods involving purchase vouchers are handled directly with Accounts Payable and do not involve advances.
1. ~~Program managers or principal investigators should maintain a log of the human subjects and Participants that include their signature and times of participation. The log or a form containing the information should be signed by the human subjects each time they participate as a human subject. Periodically, (i.e. weekly, bi-weekly, or monthly), they sign a summarized time sheet, the principal investigator verifies the time, and an individual voucher is prepared for payment to each participant with the sign-in sheet attached to the voucher as documentation.~~
  2. Similarly, payment may be based on a general information letter of agreement between the principal investigator and the participant. The general information letter of agreement outlines the event or program notifying participants of expectations as well as any incidental expenses that may be reimbursed and/or a participant fee that may be paid upon successful completion of the event or program. At the end of the event or program, or as needed, an individual voucher is prepared for payment to each individual and a copy of the general information letter of agreement is attached as documentation.  
  
~~The general information letter of agreement form requires advance approval of the Office of Contracts and Grants.~~
  3. The principal investigator personally pays the human subject, has each human subject sign a receipt of payment, and the receipts are attached to a purchase

voucher to reimburse the principal investigator. In these cases, the department must create a PCC 8 voucher and enter the human subjects who received payments as third parties in the UHS Data Line page of the purchase voucher. Contact Accounts Payable for assistance with creating vouchers.



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**Payments to Human ~~Subjects/Participants~~ Subjects and Trainee defined as Participants in Sponsored**


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Projects

MAPP 05.02.04 |

**REVISION LOG**

<b>Revision- Number</b>	<b>Approved- Date</b>	<b>Description of Changes</b>
1	08/29/1996	Initial version
2	06/13/2000	Applied revised MAPP template. Changed the Office of Sponsored Programs to Office of Grants and Contracts, and university counsel to the Office of General Counsel. Added Cash and Currency to Section III. Rewrote Section IV to be general procedures for payment to human subjects and participants and added Section V, Optional Processes
3	10/16/2007	Removed requirement in Section IV allowing three working days for payment of more than \$1,000. Added three expense accounts to record payments to participants. Added journal entry example to Section V, Optional Processes
4	09/07/2011	Applied revised MAPP template and added new Revision Log. Changed the Office of Grants and Contracts to Office of Contracts and Grants to reflect current operating practices. Section V retitled Optional Payment Processes; journal entry example changed to scenario and rephrased. The principal investigator should contact Accounts Payable for assistance in creating vouchers. Titles for responsible parties and approval revised to meet current operating requirements