Learning Objectives

After completing this information session, you should be able to:

• Understand basic concepts around Harvard’s responsibilities regarding payments to Human Subjects and compliance with federal, sponsor, University, and country regulations.

• Understand the mechanisms around defining and processing payments to Human Subjects

• Review some payment scenarios

• Know how to leverage various resources
Basic Concepts
Responsibilities and Tax Implications

Responsibilities of Purchasers, Preparers, and Approvers (ROPPA)

Individuals who spend funds or who prepare or authorize expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, prepared appropriately and submitted in a timely manner. See the ROPPA Policy and chart for additional details.

Tax Concepts

Every time a person receives a payment from Harvard that payment may be considered taxable and reportable unless an exclusion applies. An individual or department’s preference is not relevant to the classification determination.

• If an exclusion applies it is considered a qualified (nontaxable) business expense if it meets accountable plan rules (valid business purpose, substantiation, timely processing).

• If an exclusion does not apply it is considered a nonqualified (taxable or reportable payment). Nonqualified payments include human subject payments, fellowships, prizes, travel grants, research grants, and some taxable reimbursements such as expenses for personal/educational development, expenses >90 days, moving expenses, health insurance.

  ○ Depending on the situation, taxes may be withheld up front from gross income payments (as with salaries and wages or fellowships for nonresident aliens).

  ○ The object code does not solely determine tax and reporting requirements. Tax determination are also based on payment description, transaction type, location of activity, etc.
Incurring Expenses and Processing Payments

Who are you paying?
- Are you paying an entity/business or an individual?
  - Is it a U.S. or foreign entity?
  - Is individual a U.S. Citizen/Permanent Resident or a Foreign National/Nonresident Alien
  - What is their tax residency and visa status?
  - Is the individual entering the U.S.?

What type of payment are you making?
- Is it a business expense reimbursement, compensation for services, fellowship/grant/allowance, payment for goods, prize/award, scholarship or other?
- The type of payment will help determine what policies need to be followed and if the payment is reportable or taxable. Both individuals and entities may be subject to taxes. An individual or department’s preference is not relevant to the classification determination.
- If payment to an individual, are they classified correctly and are they allowed to receive payment based on their visa status?

Where is the payment being used (inside U.S. or outside U.S.)?
- Are the goods or services being performed in the U.S.?
- Location of the activity drives the foreign source determination
- Does the individual have a PeopleSoft appointment? The appointment type may help in classifying the type of payment (service vs fellowship).
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 an individual is a human subject:

1. if the research involves intervention or interaction with human subjects, or
2. obtains identifiable data about them.

IRB (Institutional Review Board) 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.

Please contact the Committee on the Use of Human Subjects in Research (CUHS), Harvard University-Area (HUA) for projects for 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.
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.

Harvard’s accounts payable system (Buy-to-Pay) requires certain HRCI information. Human subject required to be set up in Buy-to-Pay enter the HRCI information themselves; reducing the need for departments to collect and see HRCI.
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.
Lyft Department/Program

If research projects regularly reimburse human subjects for transportation, the creation of a Lyft Department Program may be appropriate.

• The Auto Pay Option allows Lyft to directly bill a University card for approved travel; no need for the human subject to be out-of-pocket.

• The concierge option allows Harvard to request and pay for rides for people who don’t have the Lyft app.

• The Lyft Pass Option allows Harvard to create an automated solution for recurring or one-time transportation needs and can restrict use by date, time, and location.

• Schools and units may have more formal or restrictive processes. Contact your local Finance Office before requesting a University Lyft account. See Lyft Program Overview.
Human Subject Payments
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.

1. 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.

2. 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.
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 or integral to the study).

• Requires a signed receipt or acknowledgement of payment 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)

• See Payment Log Example – Excel document can be found at Appendix B - Human Subject Payment Log
Policy Highlights continued

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 is activated 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 the study is completed overseas, and individual is a foreign national. See the full policy for details.
Caveats

• In rare circumstances where a study’s research integrity will be affected in a material, negative way unless compensation is made in cash > $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 > $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.

• Due to complexity of IRS regulations, Harvard discourages the option of Human Subject waiving payment and instead having the funds donated to a charity. Contact Financial Policy Office for additional information.
Human Subject Payments – U.S. Based Study

### U.S. Based Study

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

Note: 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.
## 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 or Other Gift Card</td>
<td>• Signed receipt or acknowledgment of payment log (see Appendix B) 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 (see Appendix B) Keep on file with PI/Office.</td>
<td>Prohibited</td>
</tr>
<tr>
<td>• Gifts In-Kind Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>See: Human Subjects PI Guide, Appendix B</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>Go to: Financial Administrator’s Job Aid, Glacier Job Aid for Foreign, National/Nonresident Aliens</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>

## Foreign-Based Study – Foreign National

<table>
<thead>
<tr>
<th>Pay by</th>
<th>Value $100 or less</th>
<th>Value over $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bank or Other Gift Card</td>
<td>• Signed receipt or acknowledgment of payment log (see Appendix B) 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 (see Appendix B) Keep on file with PI/Office.</td>
<td>Signed receipt or acknowledgment of payment log (see Appendix B) Keep on file with PI/Office.</td>
</tr>
<tr>
<td>• Gifts In-Kind Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>See: Human Subjects PI Guide, Appendix B</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>See: Financial Administrator’s Job Aid</td>
<td>• Foreign National – will complete information including submission of GLACIER paperwork in supplier portal (includes Form W-8).</td>
<td>• Foreign National – will complete information including submission of GLACIER paperwork in supplier portal (includes Form W-8).</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.
Human Subject Payment Options
Processing Payments

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.

Business Purpose and Identify Location of Activity
For correct tax determination, be sure to give a complete business purpose and 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.
Human Subject Payment Options

Follow dollar thresholds and data collection requirements in Human Subject Payment Policy

Gift cards and in-kind items of $100 or less
  • Electronic gift cards may be purchased through corporate card, etc.
  • Some gift cards may be limited based on country

Cash Payments of $100 or less (see Policy for specifics)
  • STOA
  • Corporate Card Advance Cash Feature (international projects)

Payment to Individual or entity via B2P
  • Check or ACH transfer (additional payment option coming soon)
  • Wire Transfer
  • Western Union
  • Amazon Mechanical Turk (must be documented appropriately)

Generally, PayPal, Venmo, or other cash applications cannot be used to pay human subject to comply with tax withholding and reporting requirements. No school or unit may set up an account under the Harvard Name, use Harvard’s tax ID number, or Harvard bank account with these types of suppliers. Contact Financial Policy Office with any questions.
Payment Options Gift Certificates or Cash

For foreign payments, be sure to comply with any restrictions or regulations regarding payments to a country. Harvard cannot make payments to any sanctioned country.

Gift cards and in-kind items of $100 or less

- Electronic gift cards may be purchased through corporate card, etc.
- Some gift cards may be limited based on country
- 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).

Cash Advance Feature - University-Issued Card (Corporate Card)

- Depending upon the location of activity, human subject payments by cash may be allowable (see Human Subject Payment Policy).
- Be sure your chip and PIN is activated, and that PIN has been set before traveling.
- Cash advance feature may be an option for foreign activity. Contact your Tub/Unit Card Administrator or Finance Office. Cash advances must comply with all requirements required for submitting a Concur card payment (e.g., business purpose, receipts, timely submission).

- See Card Services and Resources for Cardholders.
- All payments must follow accountable plan rules (business purpose, receipts, timely submission). See Extended Business Trip information.
## Concur Payments – Corporate Card or Out-of-Pocket

<table>
<thead>
<tr>
<th>Days After a Trip or Transaction Date</th>
<th>Result</th>
</tr>
</thead>
</table>
| **0-90**                             | • No tax implications  
| • Days after trip end date (preferably w/in 60 days)  
| • Days after non-trip related expense incurred | • Expenses on Corporate Card should be paid by statement due date |
| **91-182**                            | • Expenses treated as income to employee – must be processed as additional pay with taxes withheld and may NOT be grossed up  
| • Days after trip end date (preferably w/in 60 days)  
| • Days after non-trip related expense incurred | • Corporate cards should be processed before statement due date to avoid non-reimbursable late fees |
| **183+**                              | • Expenses may NOT be paid with University funds  
| • Days after trip end date (preferably w/in 60 days)  
| • Days after non-trip related expense incurred |

**Extended Business Trip** - travelers on trips > 30 consecutive days (but less than one year) have 120 days to submit receipt reports for nontaxable reimbursement; include the term “Extended Business Trip” at the beginning of the business purpose.

<table>
<thead>
<tr>
<th>Days After a Trip or Transaction Date</th>
<th>Result</th>
</tr>
</thead>
</table>
| **0-120**                            | • No tax implications  
| • Days after trip end date (preferably w/in 60 days)  
| • Days after non-trip related expense incurred | • Expenses on Corporate Card should be paid by statement due date to avoid any non-reimbursable late fees |
| **121-182**                           | • Expenses treated as income to employee – must be processed as additional pay with taxes withheld and may NOT be grossed up  
| • Days after trip end date (preferably w/in 60 days)  
| • Days after non-trip related expense incurred | • Corporate cards should be processed before statement due date to avoid non-reimbursable late fees |
| **183+**                              | • Expenses may NOT be paid with University funds  
| • Days after trip end date (preferably w/in 60 days)  
| • Days after non-trip related expense incurred |
Payment Options – Wire Transfers

Paper checks are not always the best process for foreign transactions.
If appropriate set up a foreign company or individual as a vendors in Buy-to-Pay and request a wire transfer. See Supplier Portal Page for instructions, and then download the wire transfer form from OTM. Generally, Harvard will not process international wires for amounts of less than $1,000.

- Wire Requests | Office of Treasury Management (harvard.edu)
- Wire Transfer Authorization Form – U.S. Currency
- Wire Transfer Authorization Form – Foreign Currency
Payment Options – Western Union Transfer

Harvard University’s Office of Treasury Management (OTM) Cash Management Office has an agreement with Western Union® which allows schools and units to transfer funds directly to a Western Union agent location outside of the United States. This service is known as Quick Cash Service or Cash Authorization Process.

The Cash Authorization Process allows Harvard to send money transfers worldwide to over 100,000 Western Union Agent locations. Within minutes of a transaction, the recipient can pick up the cash payment in their local currency, where available, at designed Western Union location. See Western Union Cash Authorization Form

If a Quick Cash payment is more than $2,000, or the local equivalent, the funds may not be immediately available at a Western Union Quick Cash site. Payees should verify with the appropriate Western Union site that they have sufficient cash on hand prior to picking up the cash.

Quick Cash may be used:

- For payments of goods or services to an individual who is not a non-U.S. Citizens or Permanent Resident, AND
- The payment is for work completed outside of the U.S., AND
- Payment cannot be made by check or wire transfer (i.e., cash-based economies or a vendor does not have a bank account), OR
- Short-Term Operating Advances (STOAS) where:
  - The payment amount is such that it should not be transported across international borders due to security or regulatory issues.
  - For STOAs set up as payments to Human Subjects.
Typically, a Short-Term Operating Advance (STOA) for projects lasting six months or less, though longer projects may qualify under special circumstances. STOAs would be used if expenses cannot feasibly be paid using Buy-to-Pay or credit cards.

A STOA is an advance of funds to an individual employee who then becomes responsible for those funds. All expenses must be documented and submitted for reimbursement. See the STOA Policy and Procedure.

A STOA may be appropriate for:

- Daily operations for a remote site
- Human Subject Payments

STOAs should not be used for payment for services outside the U.S. except in rare instances (e.g., payments to translators, chefs, guards in remote locations) and with prior review by GSS and Tax Compliance.

See Sample STOA Reconciliation
Short Term Operating Advances (STOA) Reconciliation

Units must **reconcile expenditures** to receipts and process a journal to allocate STOA expenditures to the appropriate object codes. All details of expenditures and reconciliation must be kept on file with the department.

- A detailed reconciliation worksheet showing what was spent, when it was spent, and confirmation when funds were distributed as well as any receipts is required. For cash-based economies receipts may not be available. To comply with policy, a reconciliation spreadsheet and a “blanket” MRA may be used.
  - Contact Financial Policy Office for sample templates
  - For the MRA – under the miscellaneous the preparer could note to see the attached reconciliation spreadsheet showing the expenses where no receipts were collected due to a cash-based economy.

- If using federal funds, check with your OSP contact to make sure that this will comply with any sponsor requirements.

Contact your finance office or financial policy office or GSS for unusual circumstances for foreign-based activities.
Supplier Set Up and Buy-to-Pay Tips
Foreign Nationals with No U.S. Presence

Harvard University is required to collect the appropriate W-8 form from any foreign individual to establish the entity's foreign status. These forms, in addition to the documented business purpose and other materials provided at time of payment, help determine the appropriate tax withholding or exemption necessary for any U.S.-sourced income being paid.

• If there is no U.S. presence:
  o Be sure to instruct the supplier to select visa type “NE - No Entry/No U.S. Presence.”
    o Additional immigration information and GLACIER is not required if no entry to the U.S.
    o No Entry visa type is inactivated after 90 days. Submit a supplier maintenance request to request the record be reactivated, if appropriate (the individual has not entered the U.S. or has no U.S. presence). Note in the description of requested changes that this is to request reactivation of a NE supplier with no U.S. presence. See Supplier Maintenance Guide
    o For individuals, a W8-BEN is required and will be prepopulated in Buy-to-Pay Supplier Set-Up based on information entered and can be electronically signed by the individual.
    o The Fulfillment Address must be a foreign address

See Supplier Request – Non-US Citizen – Self-Guided or Non-US Citizen - Assisted

2023OCT10 ORARC Human Subject Payments
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>
<tbody>
<tr>
<td>1 Type of Transaction</td>
<td>• Select the most appropriate type of transaction.</td>
</tr>
<tr>
<td></td>
<td>• Only select “Other” if the transaction does not match one of the options listed (e.g., loan forgiveness, human subject payment, consulting, etc.).</td>
</tr>
<tr>
<td></td>
<td>• Selecting “Other” can delay review and processing since it goes into a larger queue for tax review.</td>
</tr>
<tr>
<td>2 Description</td>
<td>Put in a detailed business purpose/description (what, where, when, why). Note the location of the activity/service.</td>
</tr>
<tr>
<td>3 Internal Attachments</td>
<td>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).</td>
</tr>
<tr>
<td>4 Location of Activity</td>
<td>Where is the service being performed, property being rented, or the location where fellowship income is expected to be utilized.</td>
</tr>
</tbody>
</table>
Q: I want to pay a participant $300 total, but in 3 payments of $100 each. Can I give them gift certificates for each payment since each are $100?

A: No, you cannot. The study has committed to a total of $300 which is over the $100.00 maximum.

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 their 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.
Q: Can we give human subjects the option of directing their payment to another nonprofit?

A: Harvard strongly discourages this practice. As soon as you give a human subject the option of choosing a specific nonprofit and/or splitting their payments between compensation and donations it becomes a taxable situation. Donations are also not allowed when using federal funds. Contact the Finance Policy Office with questions.
Reference Materials

Committee on the Use of Human Subjects (IRB) – Campus Area
Credit Card Resources
Export Controls Policies and Procedures
Enterprise Security Policy
Foreign Individuals and W-8 Forms
GLACIER
Global Support Services
Human Subjects Payments
Independent Contractors
International Travel Guidance for SOS
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 Short-Term Operating Advances
Sponsored Expenditures Guidelines (SEG)
Sponsored Program Policies
Supplier Onboarding Policy and Process Information Session
Supplier Set-Up Materials (B2P)
Training Portal – Including ROPPA Training, IC Training, etc.
Travel Policy
Western Union Cash Authorization Form
Wire Requests | Office of Treasury Management
Wire Transfer Authorization Form – Foreign Currency
Wire Transfer Authorization Form – U.S. Currency
Appendices

• Payment Log Example
• Sample STOA Reconciliation
• Definitions
• Human Subject Payment Decision Tree
## Payment Log Example

### Template

#### 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 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.]

<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>
</tbody>
</table>
Sample – STOA Reconciliation

STOA Reconciliation Templates are current under construction. Contact financialpolicy@harvard.edu for guidance.

Harvard University Short-Term Operating Advance (STOA) Reconciliation

<table>
<thead>
<tr>
<th>Name:</th>
<th>Amount Awarded:</th>
<th>$3,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Dates:</td>
<td>Amount Expenses:</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>Travel Site:</td>
<td>Balance to Return to Harvard:</td>
<td>$900.00</td>
</tr>
<tr>
<td>Business Purpose:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

You will be receiving a check for a short-term operating advance (STOA) for per diem expenses for the trip noted above. These expenses must be used for business purposes noted above and in compliance with Harvard Policies. Any unused funds must be returned to Harvard.

What does this check cover? Examples of expenses include:

Meals: Expenses for breakfast, lunch, dinner and related tips and taxes.

Incidentals: All service fees or tips (including but not limited to bellhops, skycaps, maids, waiters/waitresses, taxi and limousine drivers), laundry expense, personal telephone calls, and transportation between places of lodging or business and places where meals are taken are reimbursed through the incidental expense portion.

STOA’s must not be used for service payments to anyone inside the U.S. or service payments to U.S. tax residents anywhere in the world.

Note that some expenditures in foreign sites may have tax or other compliance implications; contact Global Support Services for more information.

You must submit this form to the XXXXXXX within XXXX days of the end date of the trip of project. If this form is not returned within 90 days after the end date of the trip/project, the amount of the STOA will be treated as taxable income to you and Harvard may pursue disciplinary as well as legal action to recover the funds.

Harvard Policies

Travel Policy

Definition of Receipts

Itemized listing of expenses must be noted below. Receipts are required for any expenses >$75. If no receipt is available an MRA must be included with this reconciliation.

Please pay special attention regarding reporting requirements for meals with alcohol which may be charged to federal awards.

<table>
<thead>
<tr>
<th>Expense Date</th>
<th>Merchant Name</th>
<th>Business Purpose Description</th>
<th>Air</th>
<th>Ground Transportation</th>
<th>Lodging</th>
<th>Per DIam (Meals &amp; Incidental)</th>
<th>Business Meals</th>
<th>Other</th>
<th>Total Foreign Currency</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1-28/23</td>
<td>Farmers Market</td>
<td>Food for 3 researchers for February 2023</td>
<td></td>
<td>4,000,000.00</td>
<td></td>
<td>200,000.00</td>
<td></td>
<td></td>
<td>$2,000.00</td>
<td></td>
</tr>
<tr>
<td>2/21/2023</td>
<td>QuickMart</td>
<td>Solar Charger for camp computer</td>
<td></td>
<td>200,000.00</td>
<td></td>
<td>200,000.00</td>
<td></td>
<td></td>
<td>$100.00</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Date Paid</th>
<th>Paid To</th>
<th>Person Signature or Initials</th>
<th>Total Foreign Currency</th>
<th>Total (USD)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2017</td>
<td>Al Harvard</td>
<td>ACCEPTED</td>
<td>7500.00</td>
<td>7500.00</td>
<td>Camp cook May 2017 (reviewed by GSS)</td>
</tr>
</tbody>
</table>

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The undersigned custodian, verify that these funds will be spent for legitimate research/business purposes, and does that all funds will be accounted for, and accounted for as required by university policy and/or of the project, and that the above expenses are true and correct. The undersigned custodian certify that the above expenses are true and correct, and that all expenses are found on the books of the company/bank/organization.

2023OCT10 ORARC Human Subject Payments
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).
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)

U.S. Citizen, permanent resident or resident alien

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.

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 left

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 $80 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.