

## **UNIVERSITY OF WATERLOO REMUNERATION TO RESEARCH PARTICIPANTS**

### **PURPOSE**

The University of Waterloo is a degree-granting educational institution in Canada. Conducting research, which may include human participants, is an important aspect of the university's activities. This procedure describes the process to remunerate research participants. The appropriate process is determined from the remuneration amount per participant. The procedure has been prepared collectively by representatives from the Clinical Research Ethics Committee, Human Research Ethics Committee, Office of Research Ethics, Human Resources and Finance with a view:

- To respecting the rights of the research participant to privacy.
- To informing the research participant about remuneration.
- To accounting for monies disbursed.
- To reporting remuneration for tax purposes.

### **RELATED DOCUMENTS**

- University of Waterloo Office of Research Ethics – Research with Human Participants Guidelines located at: <http://iris.uwaterloo.ca/ethics/human/guidelines/index.htm>.
- University of Waterloo Research Participant's Agreement to Release Personal Information for Purpose of Remuneration ([the Agreement](#)).
- University of Waterloo Casual or Additional Pay Request form located at [http://www.hr.uwaterloo.ca/forms/cas\\_pay\\_request.pdf](http://www.hr.uwaterloo.ca/forms/cas_pay_request.pdf).
- University of Waterloo Research Participant's Acknowledgement of Receipt of Remuneration and Self-Declare Income ([the Self-Declaration](#)).
- University of Waterloo Request Advance for Remunerating Research Participants ([the Advance](#)).
- University of Waterloo Settlement of Advance Used for Remunerating Research Participants ([the Settlement](#)).
- University of Waterloo Request for Reimbursement for Remunerating Research Participants ([the Reimbursement](#)).

### **GENERAL**

The faculty member, referred to as the principal investigator (PI), is the primary individual responsible and accountable for the research study. If a research study requires human participation, the research must undergo ethics review and clearance through the Office of Research Ethics before being undertaken. This ensures that the rights and welfare of participants are respected including the right to privacy and that the study complies with the necessary guidelines and regulations. In addition, the Office of Research Ethics ensures the remuneration amount per participant is appropriate under the circumstances and that the participant is not influenced unduly. Remuneration is a recognized practice to encourage study participation, to acknowledge the research participant's time and to defray out-of-pocket expenses such as travel costs. Depending on the remuneration amount per participant, the PI along with Human Resources or Finance ensures the monies are disbursed, accounted and reported. The research grant or contract is assigned a research project number within the university's financial system and the disbursements are recorded to the project. In accordance with recognized business practices the research project may be audited by the university, government and/or funding agencies.

Normally, research participants contribute to a research study by:

- Responding to a survey (e.g., in writing, on-line, by phone, etc.)
- Attending a session at a specific location (e.g., researcher's laboratory or off-campus location)

If a research study provides remuneration, usually each participant receives monetary or in-kind recognition. However, in some circumstances selected participants receive remuneration based on a draw or other random selection. In appreciation for participating in the research study, a participant may receive remuneration in the form of:

- Money (e.g., cash, cheque, or direct deposit).
- Near-cash (i.e. gift certificates or coupons are considered near-cash by Canada Revenue Agency).
- In-kind (i.e. tangible item such as mug, t-shirt, food item, electronic item, etc.).

Below is a chart summarizing the type of remuneration and the party responsible for disbursing payment:

Type of Remuneration	\$300 CAD or more	Less than \$300 CAD
Disbursed by:	Human Resources (HR)	Principal Investigator (PI)
Money:		
Cash	Not applicable	PI
Cheque	HR	PI
Direct Deposit	HR	Not applicable
Near-cash: (gift certificate or coupon)	Not applicable	PI
In-kind: (i.e. tangible item)	Not applicable	PI

Canada Revenue Agency requires monetary remuneration (i.e. money or near-cash) be reported for income tax purposes. This procedure describes when the university provides the research participant with a T4A slip for income tax purposes or when the individual self-declares the remuneration for income tax purposes.

Canada Revenue Agency does not require that the value of in-kind remuneration be reported for income tax purposes providing the value is nominal. Examples include mugs, t-shirts, food item, low-dollar value electronic items, etc. In the event that a tangible item is given as a prize for a draw and all parties have equal opportunity to win the prize, Canada Revenue Agency does not require any reporting for tax purposes.

The university recognizes and protects the research participant’s right to privacy. At the same time, the university must meet accounting and reporting requirements, especially related to remuneration. The university records any remuneration to research participants in a university expense account where the object of expense is “6558”.

Based on the remuneration amount per participant, the PI adopts one of the following processes:

- Human Resources remunerates the research participant and reports any remuneration for income tax purposes when the remuneration amount per participant is \$300 CAD or more. The remuneration must be monetary (i.e., not near-cash or in-kind). The PI asks the research participant to sign the Release which permits Human Resources to receive personal information, issue and distribute payment and report remuneration; or
- The PI remunerates the research participant directly when the remuneration amount per participant is less than \$300 CAD. The remuneration may be monetary, near-cash or in-kind. When the remuneration is monetary or near-cash, the PI asks the research participant to sign the Self- Declaration stating that he/she is responsible for self-declaring income for income tax purposes. If it is not feasible for the research participant to sign the self-declaration form, the Information and Consent Letter will serve as notice. The university recommends the PI obtain an advance through Finance in order to remunerate the research participant directly.

Neither Human Resources nor Finance issue any payment to research participants when the remuneration amount is less than \$300 CAD per participant.

It is important that the individual who participates in the study receives the remuneration. It may not be redirected to another individual or organization (i.e. charitable organization).

The PI maintains records about each research participant in a secure and confidential manner. At a minimum the PI assigns each participant a research participation id number, retains personal information and indicates any remuneration amount. In part, the amount of personal information depends on the remuneration amount per participant. From a financial perspective, such records must be retained for a minimum of seven (7) years in accordance with the university’s record retention policy for financial transactions.

Many factors (e.g., privacy, payment method and income tax reporting) are considered when remunerating research participants. Accordingly, only one of the above processes may be used. Payments to research participants are ineligible under Faculty Professional Expense Reimbursement. Also, petty cash funds may not be used to remunerate participants or settle advances. In-kind or near-cash purchases for the purpose of remunerating research participants may not be acquired using a university purchasing card. The necessary privacy controls and expense allocation to object “6558 subject payments” are not provided under these programs.

## **PROCEDURE**

The term principal investigator (PI) will be used throughout the procedure to refer to the PI or his/her delegate. A university employee (e.g., a research study administrator) or a person external to the university (i.e. practitioner) who is assisting the PI with the research study may be a PI’s delegate.

### **\$300 CAD or more per participant**

Normally, a research participant receives remuneration in a single payment. Occasionally, a study comprises more than one phase and a participant receives remuneration at several intervals. When the amount of remuneration is \$300 CAD or more per participant, the process is described below:

- ✓ PI asks each research participant to sign the Agreement and provide certain personal information (e.g., name, address).
- ✓ PI prepares a University of Waterloo Casual or Additional Pay Request form located at: [http://www.hr.uwaterloo.ca/forms/cas\\_pay\\_request.pdf](http://www.hr.uwaterloo.ca/forms/cas_pay_request.pdf). The form requires the participant’s birth date and social insurance number for the purpose of income tax reporting. The PI assigns a valid account number where the object of expense is “6558” subject payments.
- ✓ PI authorizes the casual pay request form. For purposes of authorizing payment the PI or authorized signing delegate must sign the casual earnings form. Please note the authorized signing delegate may be different than the delegate assisting the PI with the research study.
- ✓ Human Resources issues payment. Normally, payment is issued by direct deposit to any individual (e.g., employee or student) whose banking information is on file with Human Resources. Individuals who do not have banking information on file may provide the information when completing the Casual and Additional Pay Request form. Payment will be issued by cheque when an individual does not provide banking information.
- ✓ Human Resources processes the remuneration to the research participant in accordance with its usual procedures. No deductions (e.g., Income tax, CPP, EI, etc.) are taken at source. However, an individual may be subject to tax on the remuneration depending on his/her circumstance when filing his/her annual income tax documents.
- ✓ Human Resources will issue a tax reporting document (i.e. Box 48 on T4A slip) in February for the previous calendar year. The tax reporting document is sent to the research participant’s address on file.

### **Less than \$300 CAD per participant**

When the remuneration amount for a study is less than \$300 CAD per participant, the PI pays the research participant directly. The PI requests an advance through Finance and settles the advance by a specified date. When the total remuneration amount is nominal, the PI may incur an expense out-of-pocket for near-cash or in-kind purchases. The processes are described below.

#### **• PI requests an advance and settles by a specified date**

The university provides the PI with an advance to remunerate each research participant an amount that is less than \$300 CAD. This is often the case when research participants receive remuneration in cash, by cheque, by gift certificate or in-kind. The following is the procedure to obtain and settle an advance for this purpose.

- ✓ PI maintains a master list of research participants including a research participant id #, name and address.
- ✓ PI asks each research participant to sign the Self-Declaration, where feasible.
- ✓ PI completes the Advance form. If the advance amount is significant (i.e. more than \$2000), the PI may request Finance to release the advance in instalments.
- ✓ PI obtains the appropriate authorization. If the requestor is the PI, obtain one-over-over authorization. If the requestor is the PI’s delegate, the PI authorizes the advance.
- ✓ PI retains a copy of the Advance in order to reference the Advance when settling.

- ✓ PI submits the authorized Advance form to Finance – Accounts Payable, ECH for payment.
- ✓ PI receives the advance from Finance. If the PI is a university employee or graduate student, Finance deposits the advance directly to the requestor's bank account. Otherwise, the advance is paid by cheque.
- ✓ PI keeps monies in a safe and secure place.
- ✓ PI remunerates each research participant and obtains a signature or acknowledgement of receipt of payment.
- ✓ PI settles the advance by the earlier of 30 days following the anticipated completion date or when the monies are fully distributed. If necessary, the PI can extend the anticipated completion date by contacting Finance – Accounts Payable.
- ✓ PI settles the advance by using a copy of the Settlement form, completes the reconciliation and attaches a list of research participant id #'s. If remuneration was by gift-certificate or in-kind, also attach the receipt(s)/invoice(s) for the purchase.
- ✓ PI obtains the appropriate authorization for the settlement, if necessary. If the requestor is the PI, obtain one-over-over authorization. If the requestor is the PI's delegate, the PI authorizes the advance.
- ✓ PI returns any unspent funds by issuing a cheque to the University of Waterloo and attaching to the Settlement form. If the funds disbursed exceed the advance amount the university issues the residual payment to the requestor once the settlement is processed.
- ✓ PI receives a reminder notice from Finance if the advance is not settled within 30 days of the anticipated completion date specified on the advance. If the study is not yet complete, notify Finance of the revised completion date. If the study is complete, settle the advance as described above.

- **PI incurs an expense out-of-pocket**

In certain circumstances selected participants are remunerated in-kind based on a random selection process. In different circumstances each participant is remunerated with a near-cash instrument (e.g., gift certificate or coupon). The PI may purchase an in-kind item (e.g., mug, t-shirts, food item, low-dollar value electronic item, etc.) or gift-certificates out-of-pocket and request reimbursement. The value of the remuneration amount per participant must be less than \$300 CAD. The procedure to request reimbursement for the out-of-pocket expense is as follows:

- ✓ PI maintains a master list of research participants including research participant id #, name and address.
- ✓ PI asks each research participant to sign the Self-Declaration, if remuneration is monetary or near-cash. The self-declaration form is not required for in-kind items (i.e. must be less than \$300 in value).
- ✓ PI completes the Reimbursement form.
- ✓ PI attaches an original receipt/invoice which details the purchase, applicable taxes and method of payment to the Reimbursement form.
- ✓ PI attaches a list of research participant's id# for each participant who was reimbursed.
- ✓ PI (only PI, not a delegate) signs the Reimbursement form certifying the conditions of remunerating research participants have been satisfied.
- ✓ PI obtains the appropriate authorization, if necessary. If the PI's delegate is being reimbursed the PI's certification is sufficient. If the PI is being reimbursed one-over-one authorization is required.
- ✓ PI submits the authorized the Reimbursement Form to Finance – Accounts Payable, ECH.
- ✓ Finance reimburses the individual who incurred the out-of-pocket expense. If the individual is a university employee or graduate student, Finance deposits the reimbursement directly to the requestor's bank account. Otherwise, the reimbursement is paid by cheque.