

## **PSC Procedural Statement: Study Subject Payments** <sup>[1]</sup>

**Effective Date:** January 1, 2026 (updated to reflect changes to required reporting thresholds and related processes)

### **Introduction**

The University of Colorado pays individuals to participate in various types of studies. Some of these studies involve confidential health-related or human subject research, and those payments must be processed in accordance with federal law (the Health Insurance Portability and Accountability Act of 1996, or HIPAA, which requires protecting the privacy of personal health information) and with the rules and regulations established by the federal Office of Human Research (OHRP) for the conduct of studies involving human subjects.

This PSC Procedural Statement (PPS) sets forth university requirements for processing study subject payments. These requirements include, when relevant, procedures to protect the privacy rights of individuals while still providing sufficient information to the University for Internal Revenue Service reporting. This PPS must be considered in conjunction with any campus-specific policies on studies involving human subjects.

**Note:** Payments made for participation on a research or **study advisory committee** should be paid on the Payment Authorization form as a participant stipend unless there are confidentiality concerns regarding the specifics of the study. In those specific cases, the situation should be thoroughly explained and payment submitted on the SSP form. Travel expenses related to this type of advisory committee participation should be handled according to the travel policy including the non-employee travel guidance.

### **Procedural Statement**

Study subject payments are accomplished in one of the following ways:

#### **A. Study Subject Payment Form**

Study subjects can be paid using the Study Subject Payment form, which is available on the PSC Forms web site. All payments processed on the Study Subject Payment form are treated as if they are for confidential studies. This means that access to study subject personal information in the Finance System and in the Central Information Warehouse (CIW) is limited. The payee name will appear in the Finance System and on reports simply as "Study Subjects." The individual's actual name will not appear in Finance Inquiry or on financial reports.

Click [here](#) <sup>[2]</sup> to learn how to look up Study Subject Payments processed on the SSP Form.

### **Payments to U.S. Persons**

If the department has not previously paid an individual for a study on the SSP form, and that individual is a U.S. person [3], the department must attach a completed W-9 [4] form to the Study Subject Payment form when submitting.

For payment to a **U.S. person** who is a resident alien taxpayer, the department must attach a completed W-9 form and a Substantial Presence Test Worksheet (Non-Employee) [5] with the SSP form, and all forms must be submitted to the International Tax Office [6] for review and approval before submitting to the PSC.

Under U.S. tax withholding and reporting rules, correct payee classification is critical for compliance. For tax purposes, a **U.S. person** is a U.S. citizen, lawful permanent resident (green card holder), or resident alien who meets the IRS Substantial Presence Test. The International Tax Office [6] can assist with this determination.

## Payments to Non-U.S. Persons

Payments on the SSP form made to individuals who are non-U.S. persons must be reviewed and approved by the International Tax Office [6] prior to payment. Study subject payments to **non-U.S. persons** for activities taking place within the U.S. are subject to federal tax withholding and 1042-S reporting.

For payment to a **non-U.S. person**, the department must attach a completed W-8BEN form with the SSP form, and both forms must be submitted to the International Tax team for review and approval before submitting to the PSC.

Under U.S. tax withholding and reporting rules, correct payee classification is critical for compliance. For tax purposes, a **non-U.S. person** is an individual who is not a U.S. citizen or U.S. national and does not meet the IRS Substantial Presence Test. The International Tax Office can assist with this determination.

*Note: If paying a University of Colorado employee/student, a W-9 form is not needed as long as the Employee/Student ID number is provided on the Study Subject Payment form, and the related system contains all the required information (SSN, etc.). For payments to students who are **non-U.S. persons**, a W-8BEN form must be submitted to document their U.S. tax residency status for withholding and reporting purposes.*

The department must internally maintain documentation – including study subject name (or code/number, for confidential studies) – to support the disbursement.

## B. Cash Advance

Subject study payments that are associated exclusively with a specific trip can be considered part of the expenses for that trip and therefore can be accomplished through issuance of a cash advance, requested through the Concur Travel & Expense System. Payment of subjects through cash advance should be rare and would most often occur with international travel and/or travel to remote or cash-centric locations.

Procedures for requesting cash advances to support expenses associated with official university travel are outlined in the PSC Procedural Statement Cash Advances [7].

Documentation submitted by the traveler upon conclusion of the trip will include identification of study subjects by name (or code/number, for confidential studies).

For study subject payments made through cash advance to a **non-U.S. person**, or to a **U.S. person who is a resident alien** (green card holder), the department is generally required to collect a W-8BEN from each payee, regardless of the payment amount. Before submitting the cash advance request, the department must reach out to the International Tax Office at [IntlTax@cu.edu](mailto:IntlTax@cu.edu) [8] to request guidance on any additional documentation required for approval. The cash advance request will not be processed without approval from the International Tax Office.

For payments made through cash advance to a **U.S. person** totaling more than \$700 in single year, the department is responsible for compiling and submitting the Payment Reporting [9]S preadsheet to the PSC for year-end 1099 processing requirements. Payments must be submitted to [PaymentReporting@cu.edu](mailto:PaymentReporting@cu.edu) [10] no later than January 5th each year for reportable payments (more than \$700 to the same individual) made in the prior calendar year. The department is also responsible for collecting a W-9 [4] from study subjects with payments totaling more than \$700 in a single year and maintaining on file in the department for 4 years from the date of payment.

### C. Petty Cash, Gift Cards, and Online Coordinators

Study subjects who are U.S. persons may also be compensated up to and including \$700 using a petty cash fund, gift cards or through an online coordinator. Each of these programs is established by the department and must follow guidance outlined in the chart below, as well as the related policy/procedural statement and any additional campus- or department-specific guidelines.

Study Subject Payment Method	Conditions/Restrictions	Procurement Method	Reporting Requirements on Individual Payments	Policy/Ref
Petty Cash	<p>Payments of \$700 or less only.</p> <p>Cannot be used to pay non-U.S.-persons.</p>	<p><u>Payment Authorization</u></p> <p>[11] Form for Petty Cash replenishment</p>	<p>Department must maintain documentation including study subject name (or code/number for confidential studies) to support all petty cash fund disbursements.</p>	<p><u>Finance Procedural Statement Cash &amp; Change Funds</u> [12]</p> <p><u>Petty Cash Change Fu</u> [13]</p>

Study Subject Payment Method	Conditions/Restrictions	Procurement Method	Reporting Requirements on Individual Payments	Policy/Ref
Gift Cards	<p>Payments of \$700 or less only.</p> <p>Cannot be used to pay non-U.S.-persons.</p>	The preferred method of procurement for gift cards is the Procurement Card	Department must maintain documentation including study subject name (or code/number for confidential studies) to support gift card program disbursement.	<p><a href="#">Finance Procedural Statement Cards</a> <sup>[14]</sup></p> <p><a href="#">Gift Card Authorization Request F</a></p>
Online Coordinators (e.g. Mechanical Turk, Prolific Academic)	<p>Payments of \$700 or less only.</p> <p>Cannot be used to pay non-U.S.-persons.</p>	The preferred method of procurement for pre-funding an online coordinator account is the Procurement Card	Department must maintain documentation including study subject name (or code/number for confidential studies) to support online coordinator payment disbursements. Reporting abilities should be considered when selecting a tool.	<p><a href="#">How to Buy Coordinators Crowdsour Services</a> <sup>[1]</sup></p>

**Reporting Requirements for aggregate payments over \$700:**

- Departments making multiple payments to the same individual of more than \$700 in aggregate must report those payments on the [Payment Reporting](#) <sup>[9]</sup> spreadsheet to the PSC for year-end 1099 processing requirements.

- Payment Reporting must be submitted to [PaymentReporting@cu.edu](mailto:PaymentReporting@cu.edu) <sup>[10]</sup> no later than January 5th each year for reportable payments made in the prior calendar year.
- The department is also responsible for collecting a W-9 from study subjects with payments totaling more than \$700 in a single year and maintaining on file in the department for 4 years from the date of payment.

### **Special Note on Travel Reimbursements to Study Subjects**

All travel-related expenses are paid to study subjects on the SSP Form (and not through non-employee reimbursement in Concur) to ensure patient privacy. Travel and/or per diem-related patient reimbursements should be reasonable given the nature of the expense(s) requested for reimbursement. University travel reimbursement policies should be used as a guide to reimburse study subjects. However, sponsor guidance may also dictate specific reimbursement requirements. Thus, for example, reimbursement for alcohol would not be appropriate, and reimbursement for airfare would be at economy or coach fare rather than first class. Departments should exercise particular attention with reimbursements when federal funds are used for study subject payments and ensure alignment with research protocol or Colorado Multiple Institutional Review Board (COMIRB) as well as University and sponsor policies.

### **Exceptions**

*Unless approved by the campus Controller or their delegate, and in coordination with the University Director of Tax and Payroll-Benefit Accounting where appropriate, there are no exceptions to this procedural statement.*

## **Related Information**

### **Forms**

- [Payment Reporting](#) <sup>[9]</sup>
- [Study Subject Payment \(SSP\)](#) <sup>[17]</sup>

### **Campus Resources**

For additional campus-specific policies and procedures, contact the appropriate campus controller office.

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**Source URL:** <https://www.cu.edu/psc/policies/psc-procedural-statement-study-subject-payments>

### **Links**

- [1] <https://www.cu.edu/psc/policies/psc-procedural-statement-study-subject-payments>
- [2] <https://pschelp.cu.edu/s/article/Payment-Status-Looking-Up-SSPs-in-CU-Data>
- [3] <https://www.irs.gov/individuals/international-taxpayers/classification-of-taxpayers-for-us-tax-purposes>
- [4] <https://www.irs.gov/pub/irs-pdf/fw9.pdf> [5] <https://www.cu.edu/docs/substantial-presence-test-worksheet-non-employee> [6] <https://www.cu.edu/employee-services/international-tax>
- [7] <https://www.cu.edu/psc/procedures/cash-advances> [8] <mailto:IntlTax@cu.edu>
- [9] <https://www.cu.edu/doc/payment-reporting2026xlsx> [10] <mailto:PaymentReporting@cu.edu>
- [11] <https://www.cu.edu/psc/policies/psc-procedural-statement-payment-voucher-authorization>
- [12] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-petty-cash-change>

[13] <https://www.cu.edu/controller/forms/petty-cashchange-fund-request-pccf>

[14] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-gift-cards> [15] <https://www.cu.edu/controller/forms/gift-card-authorization-request-gc>

[16] <https://pschelp.cu.edu/s/article/How-to-Buy-Online-Coordinator-Crowdsourcing-Services>

[17] <https://www.cu.edu/psc/forms/study-subject-payment-ssp>