

## Incentives for Research and Other Subjects Guidelines and Authorization Form

Research subjects are considered independent contractors. When incentives are used to pay research subjects such as checks, cash, or non-cash incentives (merchandise, gifts certificates/cards, etc.), the department must maintain records to adequately account for the distribution of the incentives. The following guidelines must be followed to adequately account for incentives provided to research subjects.

1. Research subject incentives are a form of compensation. The department must be reasonably assured that the research subject is not a nonresident alien; or a U.S. citizen or resident alien who will receive compensation valued at \$600.00 or more during a calendar year from all independent contractor activities resulting in payment from UAB. If an individual is a nonresident alien or receives \$600.00 or more from UAB during a calendar year, UAB will be required to file IRS form 1042-S or 1099, respectively.
2. If it is likely that UAB will be required to file IRS form 1099 or 1042-S, the individual should not be given a check or cash from a petty cash fund, a gift certificate/card or other non-cash incentives. The department must issue payment in the form of a check produced through the UAB Accounts Payable Department, or UAB Payroll Services if the individual is a nonresident alien. The individual's federal tax identification number must be used (i.e. social security number or individual taxpayer identification number). IRS Form W-9 will be required.
3. The department must maintain records that substantiate the amount or value, date, place, and business purpose of each incentive payment or distribution. The business purpose would generally be the specific grant/study in which the individual is participating. Such records should include the name, address, and the federal tax identification number (SSN or ITIN) of the research subject receiving the incentives.
4. The records must be made available immediately when requested by State Examiners, other external or internal auditors, or UAB Financial Affairs. All records must be retained for a period of five years from the date of submission of the final expenditure report, or for awards that are renewed quarterly or annually, from the date of the submissions of the quarterly or annual financial reports as authorized by the awarding agency. If any litigation, claim, or audit is started before the expiration of the 5 year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
5. The incentives must be maintained and safeguarded by the department in a manner that protects against inappropriate and unauthorized use or distribution. The Department must designate an accountable person below that is responsible for the incentives.
6. The department must establish and maintain reconciliation procedures so that at any given time, the department's payment and distribution records reconcile exactly to the petty cash on hand, the petty cash bank account, or to the number of other incentives on hand such as merchandise, gift certificates/cards as applicable.
7. The department must report to UAB Financial Affairs any incentives that remain at the end of the project and obtain written authorization from Grants and Contracts Accounting regarding the appropriate disposition of such incentives.

Description of the incentive: \_\_\_\_\_  
\_\_\_\_\_

Name of grant or sponsored program: \_\_\_\_\_

Account number of grant or sponsored program: \_\_\_\_\_

Principal Investigator's Name: \_\_\_\_\_

Principal Investigator's Title: \_\_\_\_\_

Principal Investigator's Campus Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

Accountable Person's Name: \_\_\_\_\_

Accountable Person's Title: \_\_\_\_\_

Accountable Person's Campus Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

### Certifications:

The department certifies that the incentives and records will be maintained, safeguarded and distributed in accordance with the above guidelines.

Signature of the Principal Investigator: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of the Accountable Person: \_\_\_\_\_ Date: \_\_\_\_\_

General/Grants Accounting Approval: \_\_\_\_\_ Date: \_\_\_\_\_