

Visa Participant Incentive Debit Card Approval

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, Visa participant incentive debit 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, Permanent Resident, 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 debit 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 department must designate an accountable person below that is responsible for the incentives. The incentives must be maintained and safeguarded by the department and the accountable person in a manner that protects against inappropriate and unauthorized use or distribution. Any loss of cards must be reported immediately.
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 Visa participant incentive debit cards on hand.
7. The department must report to UAB Financial Affairs any incentives that remain at the end of the project and obtain written authorization from Accounting regarding the appropriate disposition of such incentives.
8. The issued cards may not be used on any grant/account number other than the one stated below.

Describe the specific intended business purpose of the card: _____

Name of grant or sponsored program: _____

Account number of grant or sponsored program: _____

Principal Investigator's Name and Title: _____

Principal Investigator's Campus Address: _____ Phone #: _____

Accountable Person's Name and 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: _____

Grants/General Accounting Approval: _____ Date: _____

Quantity of Cards: _____ Denomination of Cards: _____ Total Amount: _____

Call Extension Name: _____ Number: _____

Acknowledgement of Receipt: _____ Date: _____

Acknowledgement of Disbursement: _____ Date: _____