

Making Payments to Research Study Participants

Presenters:

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Introduction

Agenda

1. Policy and procedure
2. Requesting RSP payments
3. Study Participant Payment Addendum
4. Rolling check model (RCM)
5. 1099 Reporting
6. Managing Object 7062
7. Reconciliations
8. CMAS
9. Questions

1. Policy and Procedure

Authority: The State requires all agencies to assign fiscal responsibilities.

UMB Office of the Controller is charged with developing policies and procedures that govern university financial transactions.

Policy

- Research Study Participant Policy applies to UMB Operational Units (schools, departments, divisions) requesting payments in the form of cash, checks, or gift cards as compensation to research study participants.
- Navigation: UMB Homepage>About UMB>Policies and Procedures>Index>Type Research Study into the Filter by keyword(s) box

UMB Legal Counsel created the following definition of UMB Funds:

All funds administered by UMB, regardless of fund source. UMB funds include State-appropriated general funds, tuition, fees, and other income, as well as auxiliary funds, revolving/discretionary funds, Designated Research Initiative Funds, gifts, contract or grant revenues, and other restricted funds.

Procedure

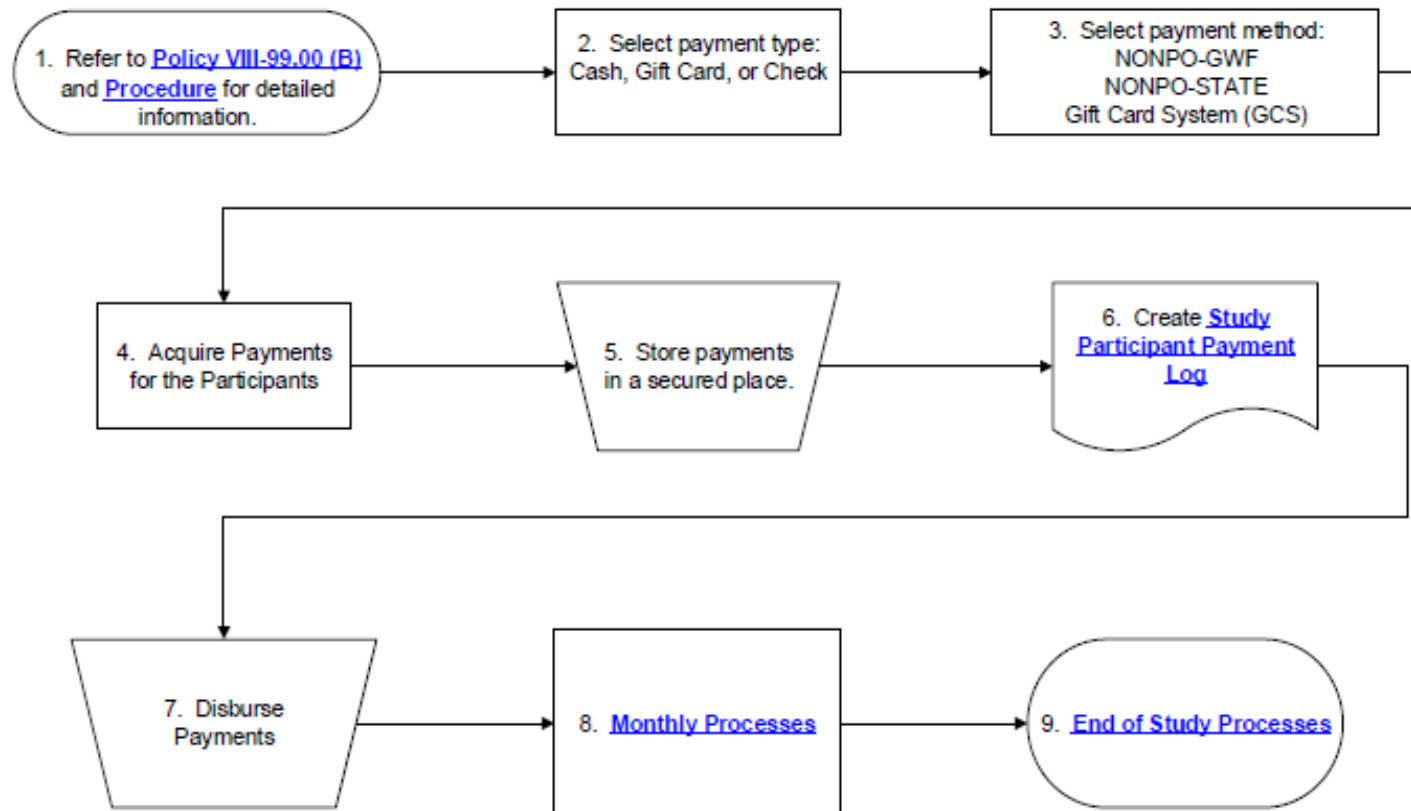
- Describes process for making payments to study participants
- Assigns responsibilities to individuals and departments
- Defines requirements and controls needed to meet sponsor, UMB, state, and federal regulations
- Navigation: UMB Homepage>About UMB>Policies and Procedures>Index>Type Research Study into the Filter by keyword(s) box

3. Requesting RSP payments

How to Compensate Research Study Participants: Overview

Important Note:

The purpose of this diagram is to provide a brief outline of how to pay research study participants. All departments are responsible for adhering to [Policy VIII-99.00 \(B\): Research Study Participant Payments](#) and to follow the instructions and guidelines described in the [Procedure on Research Study Participant Payments](#).



Step 1: Select Type of Compensation

- Individual check payable to the participant
 - State Payment
 - Working Fund (GWF)

- Cash
 - Working Fund check

Type of Compensation	Sources of compensation		
	Working Fund	State	Gift Card System
Cash	✓		
Gift Card	✓	✓	✓
Individual Check	✓	✓	

- Gift Cards
 - Gift Card System/Tango Card Inc.
 - Working Fund check
 - State Payment

Step 2: Select Source of Compensation

- Check Payments

- Made payable to participant – never made payable to “Cash”
- NONPO-GWF Invoices \geq \$100.00 and **all** NONPO-State invoices must include the social security number in the supplier registration request
- Participants who receive checks totaling \geq \$600.00 during the calendar year will receive a 1099-MISC Form

Step 2: Select Source of Compensation

- Check Payment-State
 - Allow 3 weeks for payee to receive check
 - Requests for checks to purchase Gift Cards:
 - The original receipt from the vendor where the gift cards were purchased should be retained in the department.
 - Upload the NONPO invoice header and supporting documentation to the NONPO webform located [here](#).

Step 2: Select Source of Compensation

- Check Payment-GWF
 - Hours of operation: 9am – 4pm M-Th.
 - Department will be notified when the check is ready to be picked up.
 - Request for checks to purchase Gift Cards:
Departments should include supporting documentation from grant/consent that outlines gift card type.
 - Upload the NONPO invoice header and supporting documentation to the NONPO webform located [here](#).

Step 2: Select Source of Compensation

- Cash
 - Requests for cash can be made through the Working Fund via a NONPO invoice request
 - Department must maintain a “Study Participant Log” for lump sum cash request
 - When cash is distributed, a debit memo is required to move the funds from 7062 to expense object 3125 – Study Participant Group

Step 2: Select Source of Compensation

- Department must submit the Study Participant Log within 60 days of the check date to

fs-workingfund@umaryland.edu

Subject: Cash Log for Check# XXX

- Study Participant Log must include the study number, check number, amount, signature/participant ID#, and total amount distributed
- Departments are required to properly secure the study participant's name, address, and social security number. Review [UMB Policy X99.16\(A\)](#) [UMB protection of Confidential Information](#) for guidance on safeguarding personal information

Step 2: Select Source of Compensation

- Gift cards
 - Gift Card System/Tango Card Inc.
 - Working Fund check
 - State Payment

Step 3: Documentation

- Invoice Header Page from Quantum Financials
 - Must be printed in portrait format and display the entire supplier address (Manage Inv.>Actions>Edit>Show More, then expand Lines)
- [Principal Investigator Expenditure Authorization](#) form
- Consent Form
- Quantum Analytics SPP 7062 Activity printout
- [Study Participant Payments Gift Card Request Form](#)

Returning Cash

If the part of the study involving compensation to participants ends before the study is completed, the best practice is to settle undistributed cash or gift cards as soon as possible.

- Cash is returned by making a deposit at the Cashier's Office
 - The Cashier's Office is located at:
University of Maryland, Baltimore
Health Sciences and Human Services Library
601 W. Lombard Street, 2nd Floor
Baltimore, Maryland 21201
 - ***Cashier's Office will be accepting departmental deposits Monday through Friday from 9:00am – 3:00pm by appointment only.***
- To schedule an appointment, please book via Microsoft Bookings at:
<https://outlook.office365.com/owa/calendar/UMBUniversityCashier@umbcits.onmicrosoft.com/bookings/>.

3. Study Participant Payment Procedure Addendum

Research Study Participant Payment Procedure Addendum

- Purpose is to address:
 - State directive requiring that fully disbursed cash logs must accompany requests to replenish the Working Fund Bank Account
 - Change in processing voided checks due to Quantum
 - State auditor comments

Research Study Participant Payment Procedure Addendum

- Next Steps:
 - Check your records to determine if you have any outstanding log checks that will “expire” on October 1
 - Submit completed logs to LynellGriffin@umaryland.edu
 - OOTC will send emails during the next two weeks notifying departments which checks will expire on October 1 and a revolving SOAPF is needed

Research Study Participant Payment Procedure Addendum

- Link:

<https://www.umaryland.edu/media/umb/af/fs/disbursements/research-study/Procedures-No-3706---Payments-to-Study-Participants.pdf>

4. Rolling Check Model (RCM)

Rolling Check Model (RCM)

- Purpose is to ensure a department has enough cash on hand while adhering to the State's requirement to submit cash logs timely.
- Allows multiple (2) check requests to be outstanding at the same time.
- Must submit a fully completed log once one of the checks are fully disbursed. Can immediately request a new check for cash.

Rolling Check Model (RCM)

- Example:
 - Request A submitted on 10/1/22 for \$1,000.00
 - Request B submitted on 10/1/22 for \$1,000.00
 - On 10/15/22, department completes disbursement of request A.
 - On 10/16/22, check log is submitted for Request A and Request C is submitted for \$1,000.00

Rolling Check Model (RCM)

- RCM requires communication
- To help expedite request and prevent a study from running out of cash:
 - Be sure to submit cash logs as soon as one of the checks are fully disbursed.
 - Monitor your payment schedule to adjust check amounts as needed.
 - Do not wait until your funds are extremely low to request your next check. Be mindful of weekends and holidays.

5. 1099s

1099s

- Required when all taxable payments to an individual equal or exceed \$600 in a calendar year
- UMB is required to report all payments of \$600 or more to the IRS
- Participant will receive a 1099-MISC for cash, check, or gift cards

1099s cont.

- Any study participant who receives a check or gift card $\geq \$100.00$ is required to provide his or her name, address, and social security number to the department. For gift cards, a monthly spreadsheet should be sent to Disbursements
 - Spreadsheet should include name, address, SSN, and total amount received (cash and/or gift card)
- Send department monthly spreadsheet via [secure email](#) to fs-workingfund@umaryland.edu

**Office of the Controller Standard Operating Procedure No. 3706, page 2*

6. Managing Object 7062

Object 7062 – Study Participant Pay

- Applies to studies that receive cash or gift cards for distribution to study participants.
- Object 7062 is used to “hold” the funds until disbursed to the study participant.
- When cash or gift cards are distributed, cash count is performed, and funds are reconciled – transfer funds to object 3125.
- A debit memo is required to move the funds from 7062 to expense object 3125 – Study Participant Group (after funds are disbursed).

Object 7062 – Study Participant Pay

- It is critical that funds do not linger in object 7062. Debit memos should be processed timely (i.e., monthly).
- Subsequent payment requests can be denied by Disbursements.
- Negative consequences on audits.
- The State closely monitors the Working Fund activity due to the nature and volume of transactions.
- Unused fund deposits are not appearing on the 7062 activity report – use award detail report

7. Reconciliations

Reconciliations

Forms for cash count and reconciliations on OOTC website: [Forms - Office of the Controller \(umaryland.edu\)](https://umaryland.edu/forms-office-of-the-controller)

Study Participant Payments		
	Required Documentation for Research Study Participant Payment Requests  PDF	09/19
	Principal Investigator Expenditure Authorization  PDF	12/19
FSF-183	Study Participants Payments Gift Card Request Form  PDF	02/20
	Gift Card Form Instructions  PDF	02/20
	Gift Card System Instructions  PDF	09/19
	Study Participant Log  XLSX	08/19
	Cash/Gift Card Count Sheet  XLSX	08/19
	Study Participant Reconciliation Template  XLSX	08/19
	Tango Refund Request Form	06/21

Reconciliations

- Count cash and gift cards on hand at least once per month
 - Use the Cash/Gift Card Count Sheet:

University of Maryland Baltimore
Cash/Gift Card Count Sheet

Please indicate count type: Initial Count Monthly Count

Instructions: Please fill in the fields shaded blue below.

Department		Working Fund Check #/GIC Order #		Date of Count	
Cash/Gift Card Custodian		Working Fund Check Amt./GIC Order Amt.		Time of Count	
Administrator		Project ID		Name of Counter	

CASH				GIFT CARDS			
Value	Quantity	Amount		Denomination	Quantity	Amount	
\$100	x	\$0			x	\$0	
\$50	x	0			x	0	
\$20	x	0			x	0	
\$10	x	0			x	0	
\$5	x	0			x	0	
\$1	x	0			x	0	
Total Cash		\$0		Total Value of Gift Cards		\$0	

RECONCILIATION

	Check/GC Order Amount	Total Distributions To Date	Distributions Current Month (for Debit Memo)
W/F Request - Check #/GIC Order #		Cash Gift Cards	Cash Gift Cards
		\$0	\$0
Check/Order request ar	\$0		
Less: Distribution	0		
Amt. Remaining	0		
Cash/Card Count	0		
Difference	\$0		
Debit Memo Amount	\$0		

Counter Signature/Date

Witness Signature/Date (if applicable)

Reconciliations

2. Reconcile count results and disbursement activity to the original fund request at least once per month.
 - You will need the [Study Participant Log](#) and the original fund request
 - Complete the reconciliation portion, bottom of the cash log
 - Cash count and distribution log is the support for the debit memo to move funds from 7062 to 3125
 - Compare to the general ledger activity

Reconciliations

3. After the fund request is fully disbursed a reconciliation of activity should be performed
 - Use [Reconciliation Template](#)
 - all debit memos should be performed for all related disbursements
 - Unused cash should be deposited at the cashier's office and noted on the reconciliation form
 - Study logs and reconciliation must be signed/dated by the **PI** to confirm validity of study participants and study activity per the reconciliation
 - Tango Detail Report and Order History report for e-gift cards
 - Compare to the general ledger activity

Reconciliations

- Difference amounts should be zero
 - Any differences must be investigated, if difference is unresolved contact OOTC and CMAS
- Signatures and dates of preparer, reviewer, and PI are required

8. CMAS

Reviews and Audits

UMB MAS Reviews

- ✓ Conduct periodic reviews of a sample of payments to ensure departments are following policy and procedures (i.e., all requirements)
- ✓ Report results to the department selected & Office of the Controller (OOTC)

USM Internal Audits

Office of Legislative Audits - Every 3 years

Sponsor Program Audits - Anytime

Compliance Findings

- ❖ Funds not adequately secured and accounted for (offsite locations, distribution to participants, personal bank acct, Tango e-gift cards)
- ❖ Initial and monthly counts are not done, not done by independent person, not documented, person counting must be knowledgeable about process and requirements
- ❖ Funds are not tracked properly (no log, only receipts) or log not separate by working fund/gift card request
- ❖ Study participant logs don't have all necessary information

Compliance Findings

- ❖ Debit memos to reclassify disbursement amounts are not performed at all, not timely, or amount transferred is not proper
- ❖ PI not verifying study participant logs or not documenting the verification by signing and dating log. Not verifying or documenting verification on Tango Detail Report and Order History Report for e-gift cards.
- ❖ Undistributed funds not deposited or returned timely (unused cash or gift cards)

MAS Contacts

Any questions or concerns contact
MAS!

Elaine Portnoy, Senior Management Analyst
eportnoy@umaryland.edu

Jennifer Thompson, Acting Director
jthompson01@umaryland.edu

Resources

Email fs-workingfund@umaryland.edu with any questions.

Disbursements webpage:

<https://www.umaryland.edu/controller/disbursements/>

Research study participant payment webpage:

<https://www.umaryland.edu/controller/disbursements/research-study-participant-payments/>

Questions?

