

Participant Payments – MGIC USA

I. Purpose

This procedure outlines the guidelines and instructions for MGIC service users when compensating research study participants located outside the United States, in compliance with UMB policies.

This procedure is intended to assist Requesting Units – UMB Schools and Departments that implement research projects outside the United States – and the Principal Investigator to understand the MGIC procedure and requirements. The Principal Investigator bears the ultimate responsibility for ensuring that the conduct of a research study complies with all applicable UMB and MGIC policies and procedures.

II. Scope

This procedure covers compensation to research study participants paid outside the United States through MGIC USA. This compensation is referred to as Participant Support Costs.

III. Definitions

Certain studies and projects may include compensation for participants, as specified in the agreement between the research sponsor and the research institution. These expenses, also known as Participant Support Costs, are considered allowable if they are part of the project's approved scope and budget.

A. What are examples of participant support costs

- **Incentive payments** to encourage individuals to participate in research activities and share personal data or information through direct interaction or intervention, such as surveys or interviews.
- **Transportation expenses** incurred by participants traveling to the location of the research activity, such as a focus group venue, workshop, or clinic site.

B. What does not qualify as participant support costs

- **Honoraria** for guest speakers participating in conferences, symposia, or workshops.
- **Stipends** provided to interns, fellows, trainees, or attendees of organized events, lectures, academic courses, or similar activities.

- **Fellowships** offering financial support to postdoctoral fellows for activities such as attending conferences or workshops.
- **Service fees** for individuals serving as project organizers, consultants, facilitators, or coordinators for workshops, conferences, or training sessions.
- **Expenses** related to rental fees, catering services, and general supplies necessary for the execution of the event or activity.

C. Who is a Participant

A research study participant is a living individual from whom a Principal Investigator (PI) collects either:

- data through direct intervention or interaction, or
- identifiable private information as part of the research process.

IV. Participant Payment Methods

The UMB International Operations (IO) division, which administers MGIC USA on behalf of UMB, will determine the appropriate payment method for each project on a case-by-case basis, considering factors such as the location of payment, disbursement costs, personal safety risks for both the payer and payee, and currency exchange risks. The method is guided by MGIC policies, the terms of the funding grant or contract, and, when applicable, the requirements of the Institutional Review Board (IRB). Each payment method also carries specific reporting and reconciliation requirements to ensure the appropriateness of the compensation and the safeguarding of assets.

Three payment methods are available through MGIC:

A. Direct Wire Transfer from MGIC

Individual payments directly via wire transfer from the MGIC US bank are preferred whenever possible. Inter-bank transfers are the safest option with the lowest risk, and MGIC USA can transfer funds in any currency the recipient's bank account will accept. However, the recipient is required to hold a bank account that can accept international wire transfers, and their own bank may charge fees for converting currency or withdrawing funds. MGIC bears no responsibility for bank or forex charges incurred by participants.

Furthermore, MGIC's own bank fees for each transaction will be charged to the UMB research project, which may be unaffordable for some project budgets and may not be feasible for large numbers of participants. To minimize the effort and frequency of international wire transfers and associated bank charges, MGIC also permits payments through two other applicable methods detailed below, and in compliance with MGIC's Financial Affairs Policy.

B. Cash Payment via MGIC-approved Intermediary

Participants may receive physical cash payments from a locally contracted research coordinator, or another intermediary approved by MGIC. An intermediary is an individual service provider who has in-person access to the participants, and whose job description or contracted scope of work includes this responsibility. Cash payments may be made in any currency, provided the exchange rate is documented by an authorized external party (the bank or a forex bureau).

Cash is often the easiest and preferred option for research study participants, but it carries safety risks to both the payees and the payer in certain contexts and can be unfeasible when transporting and disbursing large amounts. This method also requires significant documentation of disbursements, verification of payee identity, and reconciliation of advances and cash on hand.

C. Mobile Money Transfer (MMT) via MGIC-approved Intermediary

Where feasible, participants can be paid through mobile money transfer (MMT) via an MGIC-approved intermediary. An intermediary is an individual service provider who has access to a reputable commercial MMT platform approved by MGIC, and whose job description or contracted scope of work includes this responsibility.

Mobile money is a secure and verifiable digital financial service often available in regions with limited traditional banking infrastructure. It enables users to store and transfer funds via a mobile money platform that provides a payment receipt. To use this option, **the payer and every payee** must have a mobile phone registered with a local wireless service provider and must have access to an MMT platform on their mobile phone.

MMT can be a safe and efficient solution for paying small amounts in local currency to participants in remote locations. However, as with physical cash payments, it can be very complicated for the payer, requiring substantial finance documentation as well as extreme vigilance to avoid errors in entering mobile phone numbers of participants into the online platform, and measures to keep payees' personal data secure.

V. Procedures for Payment Request

Note: Prior to a request for participant support cost payment through MGIC, the Requesting Unit (UMB school or department) must have a fully executed MGIC service contract and/or grant agreement in place that incorporates the participant payment activities, or must have already coordinated with relevant UMB Central Administration units (e.g. SSAS, SPA, or OOTC) to request MGIC payment services under existing UMB agreements or purchase orders. MGIC cannot be used for participant payments without valid procurement or award documents such as these in place. Please reach out to the Global Hub (globalhub@umaryland.edu) well in advance of the need for participant support cost payments through MGIC, for guidance on these prerequisites.

1. Requests for participant payments can be made through the Global Hub globalhub@umaryland.edu. The request should note the purpose, total amount required,

and date needed, and should align with the terms, conditions, and payment schedule of the related grant or contract described above.

2. If the payment method will be through direct bank transfers to participants from MGIC USA, requesters should include the following [MGIC USA Forms](#):
 - Payee Bank Details Verification Form, completed and signed by each recipient
 - Foreign Source Statement (a single form on behalf of all recipients may be allowed, please consult IO)
 - Payment Authorization Form signed by Requesting Unit for the current request
3. If the payment method will be through physical cash disbursement or MMT, requests for the **first payment** to the approved intermediary should include the following [MGIC USA Forms](#):
 - Payee Bank Details Verification form, completed and signed by MGIC-approved intermediary
 - Foreign Source Statement, completed and signed by MGIC-approved intermediary
 - Payment Authorization Form signed by Requesting Unit
4. For **recurring participant payments using any method**, the request to Global Hub should include:
 - Updated forms for Payee Bank Details and Foreign Source Statements **only if bank** details or individual recipients have changed. IO will independently verify any changes before making MGIC payments.
 - Payment Authorization Form signed by Requesting Unit for the current request.
 - Payment Log for previous MGIC payment, complete with all required signatures. See Section VII.A for more information.
 - Financial Reconciliation of previous MGIC payments, local disbursements, and intermediaries' remaining balance on hand. See Section VII.B. for more information.

For all MGIC payment methods, it is assumed that the Requesting Unit and specifically the Principal Investigator are fully complying with UMB's research policies and procedures, including IRB protocols. These procedures include, inter alia, obtaining signed Consent Forms from each participant, maintaining accurate Attendance Sheets which serve as the master list of eligible payment recipients, and following UMB and IRB requirements for data protection, participant confidentiality, and research ethics. While IO does not need to receive all of these documents when providing MGIC payment services, it is expected that PIs and project teams will use them as the basis for their payment requests and will produce them in the event of an audit.

VI. Procedures for Cash or MMT Payments to Participants

1. Intermediaries are personally responsible for safeguarding any physical cash in their possession, and for verifying the identity of participants who are paid in person. Intermediaries using MMT are personally responsible for making accurate and compliant

transactions through approved MMT platforms, and for verifying and using participant-provided mobile numbers.

2. Once cash or MMT funds are received, the intermediary must store cash in a secure location with restricted access, such as a safe or a locked drawer. MMT funds must be retained in the bank account linked to the platform identified for the payments until the MMT transactions are processed.
3. Intermediaries must conduct accurate cash counts whenever funds are received from MGIC, or on a monthly basis at minimum, regardless of transaction activity during the period.
4. Intermediaries must comply with the disbursement cycles, deadlines, payment amounts, currency exchange and conversion instructions, and reporting procedures that are documented in the UMB or MGIC contract/agreement, or as otherwise instructed in writing by the UMB Principal Investigator.
5. Intermediaries must strictly adhere to the Attendance Sheet or other documentation of pre-approved payees provided by the Requesting Unit, when confirming the legitimacy of participants receiving payments in cash or through MMT (See Section VII.C).
6. Intermediaries must create and maintain a separate Payment Log for cash or MMT disbursements. While there is no specific format required, the log must include all essential details outlined in Section VII.A.
7. Cash payments:
 - a. Intermediaries must use a secure and private location for in-person cash payments and must make the transaction in the presence of a third-party witness who will also sign the Payment Log along with the intermediary and the payee.
 - b. Intermediaries must obtain each payee's signature on the Payment Log or other approved proof of payment authorized in the IRB protocol.
8. MMT payments:
 - a. Intermediaries must create and maintain a Payment Log that includes the essential details referenced above, as well as the participant-provided mobile phone numbers that can accept MMT payments through the identified transfer platform.
 - b. Intermediaries must obtain disbursement reports and receipts from the MMT platform as evidence of payment, and include this documentation in their financial reconciliation
9. Requesting Units must collaborate with intermediaries to complete an accurate financial Reconciliation of previous payments, participant disbursements, and cash-on-hand balances, for both cash and MMT payment methods. See Section VII.B.

10. Requesting Units must submit the following documents to IO in the case of cash or MMT payment methods, in order to liquidate MGIC advances and to trigger compensation for the intermediary's services under the terms of an MGIC contract.
 - a. Payment Log
 - b. MMT receipts or other platform-generated proof of payment
 - c. Financial Reconciliation
 - d. Intermediary's invoice for services rendered, if applicable
11. Any discrepancies must be investigated and resolved. Any unexplained differences must be immediately reported in writing to the PI and the IO division.

VII. Additional Information

A. The Participant Payment Log

For all studies involving physical cash or MMT payments to participants, a Payment Log must be completed and submitted by the MGIC-approved intermediary. The Payment Log must include the following information:

- Name of the Participant, or other unique identifier authorized in the IRB study protocol to preserve participant confidentiality.
- In the case of MMT, the verified, participant-provided mobile phone numbers to which funds will be transferred on the MGIC-approved platform.
- The date of each payment to the participant.
- The amount of each payment.
- Participant signature or initials for receipt of each payment (either on the log or as an attachment to the log as allowed by the IRB protocol).
- Any remaining balance of undistributed cash, which will be returned to secure storage.

Each Payment Log must be signed and dated by both the intermediary (payer) and a separate witness verifying the legitimacy of the participants and certifying that the recipients have received the amount indicated in the Log.

Payment Logs submitted by the intermediary must be signed by the UMB Principal Investigator or other designee as evidence of the project's acceptance and approval. Signed logs will be kept in the MGIC files unless the IRB protocol prohibits MGIC retention of this document.

B. The Financial Reconciliation Report

A financial reconciliation is a formal document that summarizes the funds received, distributed, and remaining balance.

There is no specific MGIC format required for presenting the cash reconciliation for follow-on payments, as long as the data is clear and appropriate for auditable files and approved by the

Requesting Unit. The IO division can provide sample formats and will reach out to clarify or flag errors before processing payment.

Interim reconciliations should be signed and dated by the preparer (intermediary).

Final reconciliations for the full project or contract should be reviewed, signed, and dated by the preparer (intermediary), the Requesting Unit's department administrator, and the Principal Investigator.

Any remaining undistributed cash must be reported to MGIC for guidance on refund procedures or, in most cases, for reallocation to intermediary compensation or other project expenses.

C. The Attendance Sheet

While not required to be submitted to the IO division for MGIC services, the Attendance Sheet is an important document for Requesting Units to effectively manage participant payments occurring outside the U.S. An Attendance Sheet functions as a master list of eligible participants in a research study or project, and is the basis upon which a Payment Log is developed for each disbursement event.

The Attendance Sheet is prepared when the funds are requested, and is shared by the Requesting Unit (or PI) with the intermediary to serve as the source document for the Payment Log. In some cases, the Payment Log may contain fewer names than the Attendance Sheet due to absences or research reasons, but it should never contain different names.

The Principal Investigator is responsible to validate the participants; comparing the Attendance Sheet against the Payment Log provides reasonable assurance that payments are only made to individuals who are enrolled in the research study.

D. Exchange Rate

If the payment is made in a currency different from the one in which the funds were received, proof of the exchange rate should be provided with each financial reconciliation report.

E. IRB restrictions on participant disclosure

When the IRB imposes specific restrictions to keep participants' names or other information confidential, the IO Division will consult with UMB's Research Compliance division and UMB's Controller to identify suitable alternative content for the Payment Log to fulfill UMB's and MGIC's financial recordkeeping requirements. If suitable alternatives are identified and agreed between IO, Research Compliance, and the Controller, MGIC USA payments will be made in accordance with these determinations.

Sample alternatives that may be suitable and considered in lieu of the standard UMB Payment Log include the use of internal numbers assigned to each participant to ensure their identity is not disclosed, or a written statement from the Project Manager or Implementer to confirm and prove

the payment has been made. These or other alternatives must be agreed by the UMB Controller and IO Assistant Vice President, or escalated to the MGIC President, in order to use MGIC for such payments.

F. Summary of Documents Needed for MGIC Participant Payment

- Procurement Documents (Agreement / Contract) for intermediary payment services
- Payment Authorization Form: one per payment request, signed by Requesting Unit
- Payee Bank Details Verification Form: one for every recipient receiving bank transfers directly from MGIC
- Foreign Source Statement (FSS) signed by recipients of bank transfers directly from MGIC, or by an MGIC-approved representative
- Attendance Sheet: not required for submission to IO, but a necessary and auditable source document to validate participants.
- Payment Log: signed by participants receiving payment (or alternate method established by IRB protocol), signed by intermediary and separate witness, and signed for approval by PI.
- MMT receipts or other proof of payment from MMT platform
- Exchange rate documents if applicable
- Financial Reconciliation report, signed by intermediary, department administrator, and PI.

Additional documents may be necessary in certain circumstances. The goal is to ensure sufficient cash is available in the field to make these payments while also exercising the necessary effort to avoid maintaining excessively high cash on hand, thereby minimizing risk.

G. Responsibilities of Requesting Units

- Maintain appropriate segregation of duties and internal control procedures.
- Supervise and oversee MGIC-approved intermediary, and hold PI and research staff responsible for the performance and compliance of intermediary.
- Ensure that funding is available for the requested expenditure.
- Ensure that participant payments are allowable by the sponsor and applicable regulations.
- Maintain accurate records of eligible participants, complying with IRB research protocols on participant confidentiality and consent, and with UMB policies on data protection.
- Comply with MGIC procedures and requirements, including timely submission of complete and accurate requests, reports, and forms to IO.
- Maintain log(s) of study participants and ensure that the Principal Investigator verifies, signs, and dates all log(s). By signing the log(s), the Principal Investigator confirms the validity of the participants and accepts the payment report on behalf of UMB.
- Produce and share the Attendance Sheet or other list of approved payees with intermediaries, and ensure the names match all Consent Forms or other IRB or UMB required participant documentation.
- Maintain required documentation as described in this Procedure, and produce all documents upon request for UMB or external audit or review.

- Reconcile each fund transfer and disbursement, and ensure that the reconciliations are verified, signed, and dated by the preparer, departmental administrator (or designee), and Principal Investigator.
- Ensure that all involved in the study participant payment process have been the access to the necessary documents and those requirements in interactions with participants

H. Exceptions

Exceptions to these procedures must be approved in writing by the MGIC Vice President of Policy and Administration.

I. Important Reminders

- Budget for international wire transfers. The total cost will depend on the frequency of these transfers and the currency of payment; as of the date of this procedure, the fee may be a flat rate of up to \$40 USD per international transfer. Additionally, the foreign exchange rate for each transaction will fluctuate as determined by the MGIC bank, and may be higher than the prevailing market rate.
- There may be foreign exchange charges when converting USD to local currency for cash payments to participants in the field. These charges should be documented by the intermediary and submitted with the reconciliation sheet.
- Some recipients' bank accounts may not be able to receive funds from the US or internationally. The Principal Investigator (PI) and the assigned person responsible for making the payment should confirm this before requesting any funds.
- Each participant should receive their own money. No participant should be paid on behalf of another person.

Policy Statement

MGIC cannot be used to pay UMB personnel directly for any costs, including participants support costs.