

Gift Cards for Research Subject Payments Purchased with a Mason P-Card

Academic Units may purchase Gift Cards for research subject payments using a Mason P-Card. The gift cards must be physically secured at all times by lock and key. Gift cards should be used only for research subject payments in accordance with the Institutional Review Board (IRB) through the Office of Research Integrity and Assurance (<https://oria.gmu.edu/>).

Benefits of utilizing gift cards for research subject payments:

- ✓ No check to cash/deposit
- ✓ Less lead time required
- ✓ No out of pocket expense
- ✓ PI/Custodian determines gift card denomination
- ✓ Academic Unit determines timing of request and ordering of cards
- ✓ Academic Unit determines the gift card vendor (when purchased in-person)
- ✓ Academic Unit purchases gift cards with P-Card, Reconcilers can easily see the info in BOA
- ✓ Academic Unit controls gift card ordering, disbursing and reconciling (can decide to transfer unused cards to another active study) **Human Resources may accept the transfer of unused Gift Cards from one of the vendors [listed here](#), with a denomination of \$25 or below.

Responsibilities

PI/Custodian is responsible for maintaining the security and accountability of the gift cards in their possession. The PI/Custodian is responsible for any shortage, loss or misplacement of funds. Gift cards must be kept in a secure location at all times. The PI/Custodian is responsible for all disbursements to research subjects and for following any applicable IRB protocols. The receipt of a gift card does not change IRS reporting requirements. The PI/Custodian must submit the [Disbursement Log](#) and any necessary [Tax Reporting](#) information to the Academic Unit.

P-Cardholder is responsible for the purchase of the gift cards. The P-Cardholders must adhere to the [P-Card procedures](#) and additionally enter the IRB protocol number, the PI/Custodians name and the date the research study will be conducted into the “Comments” section of Bank of America Works. The transactions must be allocated to the PI/Custodian’s fund/org and account number 73702 – Research Subject Services. The P- Cardholder may purchase up to \$5,000 in gift cards per transaction. Split purchases are not allowed. If a single gift card purchase is expected to exceed \$5,000, an eVA order must be created and submitted to the Purchasing Office. A [Gift Card Custodial Log](#) is available to help track gift card custody. Bank of America may label these transactions as fraud, therefore, the P-Cardholder should contact Bank of America prior to the purchase.

P-Card Approver is responsible for reviewing/approving the transaction in accordance with the P-Card procedures.

Reconciler is responsible for reconciling the gift card purchase with the [Disbursement Log](#) in accordance with the Reconciliation Policy ([University Policy #2114](#)). The reconciler should ensure that the amount of gift cards purchased for the fund/org match the information presented on the [Disbursement Log](#). (Example: If 40 gift cards are purchased the [Disbursement Log](#) must show that 40 gift cards were disbursed and/or transferred.) In cases where gift cards were

transferred, a copy of the transfer form must be kept with the reconciliation. Charges for unused gift cards must be removed within a reasonable period of time; this is generally acceptable within 60 days of the charge posting.

Dean/Department Head is responsible for establishing and maintaining internal control procedures for their unit.

Gift card purchases should be made as close to the research study date as possible. At their discretion, units may decide to transfer unused gift cards between PI/Custodians by using the [Gift Card Transfer form](#). Human Resources may accept the transfer of unused Gift Cards from one of the vendors [listed here](#), with a denomination of \$25 or below. Contact awards.gmu.edu to inquire about a gift card transfer to Human Resources.

Gift Card Disbursement to Research Subjects

Disbursement of gift cards to individual research subjects must be recorded legibly on the [Petty Cash Disbursement Log](#) and include the following information:

1. Date of disbursement
2. Recipient code number or Individuals First/Last name*
3. Amount of payment
4. Last 4 digits of the Gift Card
6. Description (i.e., research subject payment)
7. Nonresident for tax purposes (Yes or No)**

*If study is confidential, please provide the *Recipient code number/ID* and OMIT the *First/Last Name*.

PI/Custodian must maintain a separate key with code numbers and names of participants. For non-confidential studies, enter the individuals First/Last name.

**Required if payment is over \$50. Additional documentation required when Nonresident for tax purposes is marked "Yes." See *Research Subject Tax Considerations* below.

Amazon Business Gift Card Procedures

Academic Units may purchase gift cards or eGift cards through a Mason Amazon Business account with a P-Card. Payment by eGift card may only be initiated after the research participant has completed their task(s). Complete instructions are available on the [Amazon Business Gift Card guide](#).

Research Subject Tax Considerations

Individuals, including Mason employees, students, and non-employees, who participate in Mason research projects, may be compensated through petty cash, or receive a gift card. The compensation for research participation will be reported either on the 1099-MISC or 1042-S tax form if required by the Internal Revenue Code (IRC). As such, notice must be provided to research subjects about the tax implications of accepting compensation for participating in the study. **In the event of an IRS audit, it will be the responsibility of the Academic Unit to supply clear supporting compensation documentation.** Information can be found in the [collecting and storing tax documents](#) guide.

The principal investigator (PI)/Custodian must maintain the following records regarding ALL participants:

- Informed Consent Forms for all individuals participating in the research, unless the requirement has been waived by the Institutional Review Board (IRB).

- Petty Cash Disbursement Log documenting the coded human subject, study location, residency status of the participant (U.S. Resident or Nonresident) and payment(s) made to each human subject. A log of payments to research subjects must be kept for all disbursements.

Payments to research subjects who are U.S. Tax Resident:

- ★ If the participant is a U.S. tax resident, and payments are \$600 or greater in any one calendar year, the university is required to file a 1099 form with the IRS. For amounts less than \$600, the individual is responsible for reporting the additional income, but the university does not file 1099 tax forms with the IRS.

If payment is equal to or greater than \$600 in a calendar year – the Principal Investigator (PI)/Custodian is required to collect a completed [W-9 form](#) from each U.S. tax resident. The PI/Custodian must notify Accounts Payable if at any time, either at the beginning of each research study or during the course of the research study, it is recognized that the human subject will receive a total of \$600 or more in a calendar year as remuneration (petty cash funds or gift cards).

Payments to research subjects who are Nonresidents for tax purposes:

- ★ **If the payment is more than \$50 and the participant is a Nonresident for tax purposes, the payment (or item) is likely taxable at a rate of 30%** (withholding should occur at the time of payment). The [Tax Certification for Research Study Participants](#) must be completed by the research subject. A Form 1042S will be issued and all payments reported to the IRS. The PI must store the information following [University Policy 1114 - Data Stewardship](#), until the close of each calendar year, when the documents may be submitted to the International Tax Office.
- ★ Statutory 30% tax withholding will be withheld on top of the payments to Nonresidents. The International Tax Office will request that PI/Custodian provides a fund/org to charge for the withholding tax.
- ★ **A payment to nonresidents participating in a research study where IRS information is not being collected is limited to a total payment of \$50 or less** per individual from all such research studies during the calendar year. Payments to non-resident alien human subjects for research activities outside of the United States are neither reportable nor subject to the U.S. tax withholding if the activity is conducted outside the United States. PI should note the location of the research in the payment disbursement log.

Reconciliation of Purchases and Payments of Gift Cards

The reconciler must reconcile the gift card purchase with the [Disbursement Log](#) on a monthly basis in accordance with the Reconciliation Policy ([University Policy #2114](#)). The reconciler should ensure that the amount of gift cards purchased for the fund/org match the information presented on the Disbursement Log(s). Example: If 40 gift cards are purchased the Disbursement Log(s) must show that 40 gift cards were disbursed and/or transferred. In cases where gift cards were transferred, a copy of the transfer form must be kept with the reconciliation. Reconcilers are also responsible for ensuring the Disbursement Log is completed according to guidelines, and that charges for unused gift cards are removed within a reasonable period of time; this is generally acceptable within 60 days of the charge posting.

At their discretion, units may decide to transfer unused gift cards between PI/Custodians by using the Gift Card Transfer form. Human Resources may accept the transfer of unused Gift Cards from one of the vendors [listed here](#), with a denomination of \$25 or below. Contact Beth Baroody, to inquire about a gift card transfer to Human Resources. The form must include the PI/Custodian name, IRB Protocol number, serial numbers of each card, and signature of the PI/Custodian and signature of the department individual taking possession of the gift cards.