

Financial Services Manual (FIN)

FIN 421–05: Human Subject Payments

Effective: 11/1/2008

Revised: 11/1/2025

Purpose

To describe the policy for payments made to individuals who participate in research projects as human subjects and for payments made to individuals for research incentives as human subjects

Sources

Internal Revenue Service

University policy

Policy

Payments to individuals participating as human subjects in authorized ASU research or to individuals as research incentives are typically modest in amount. Such payments may be in the form of a check, cash, cash equivalent, or noncash incentive. For large studies, or when confidentiality is part of the [human subject protocol](#) approved for the research, subject pay can be disbursed from a cash advance. Additional information about cash advances can be found in [FIN 403](#).

Cumulative payments from all research projects of \$600 or more to a single individual in a calendar year will result in tax information reporting to the IRS by the Tax Unit of Financial Services via issuance of Form 1099-MISC. If the method of payment to the individual is through a cash advance or cash equivalent (i.e. gift card) the department conducting the research is responsible for providing a list of the recipients and cumulative dollar value paid per subject to the Tax Unit of Financial Services with all necessary documentation required for proper tax reporting of human subject payments to the IRS. Such documentation should include the following:

1. Subject name
2. email address of subject for e-gift cards or signature for physical receipt
3. date of distribution
4. dollar amount provided
5. if subject will receive more than \$100, indication of whether the subject qualifies as a resident for U.S. tax purposes

For research studies subject to confidentiality requirements, only reportable payment information must be reported; all confidential documentation must be retained at the project level. Additional accommodation to confidentiality requirements should be discussed with the Tax Unit of Financial Services.

Payments to nonresidents for tax purposes will be subject to the tax withholding and reporting rules described in [FIN 425](#), "Payments to Nonresidents." A funding source for any tax payment must be identified.

Payments to ASU employees generally must be handled through the payroll process for tax withholding and reporting purposes.

ASU employees may receive human subject payments like any other research project subjects, provided that their participation is entirely voluntary and is unrelated to their employment duties. Payments should be processed in accordance with this policy.