

### ***Business Requirements***

This procedure is intended to provide guidance and direction for establishment of a cash fund to facilitate making payments to participants in research studies approved by the Institutional Review Board (IRB) conducted at Florida International University, in accordance with applicable Federal regulations and University research guidelines.

#### **1. Stakeholders & Business Units**

Principal Investigators, Custodians, Grants Managers, Departmental Finance Managers, Office of Sponsored Research, Office of the Controller

#### **2. Purpose and Care of Participant Payment Cash Fund**

- A. **Purpose of Fund.** Payments to human subject participants who are not FIU employees and who are U.S. citizens or permanent U.S. residents may be made using a Participant Payment Cash Fund. A Participant Payment Cash Fund is intended to provide cash to a department or project for the sole purpose of easily making payments to participants of research projects. The fund is not to be used for cashing checks or making purchases. A Participant Payment Cash Fund is in no way intended to be a means for circumventing the University's policies, regulations, or required controls and approvals. Funds are subject to review by Office of the Controller, Internal Audit, the Office of Sponsored Research Administration and Sponsor review per terms of agreement.
- B. **Custodian of the Fund.** The custodian of the fund is the person responsible for the care of the fund, accounting for/safeguarding the cash, and securing proper documentation of the use of the funds. The custodian may be a full time employee or graduate assistant. All money should be kept in locked storage at all times. In no instance should a university fund under an individual's control be kept on one's person, deposited in a personal bank account, or taken to one's home for safekeeping. If a unique circumstance exists regarding securing the funds, the custodian should contact the Office of the Controller immediately. The custodian will maintain records to document that the money went to legitimate participants. This documentation will be available for inspection for Audit purposes. To change or add custodians of the Cash Fund, complete the Change or Addition of Custodian Form and submit to the Bursar's Office.
- C. **Payments Limitations.** Cash payments are limited to \$75 for each payment unless approved by the Office of Sponsored Research Administration. If payments to any participant receiving cash total \$600 or more in a calendar year, it is the responsibility of the custodian to provide the necessary information to Tax Services by January 10th of the following year so that an IRS Form 1099-MISC, Miscellaneous Income, can be generated. It is strongly recommended to obtain a signed IRS Form W-9, Request for Taxpayer Identification Number and Certification, from each participant for compliance to IRS Form 1099 information reporting as part of their participation agreement.

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3. *Process*

A. **Establishment of Participant Payment Cash Fund**

1. The **Principal Investigator (PI) and custodian** will complete and sign the Advance for Research Subject Form and submit the form to the Office of Sponsored Research Administration (OSRA) for approvals
2. **OSRA** will review and approve the Advance for Research Subject form and forward it to the Office of the Controller, Payment Services CSC for processing.
3. **Payable Services** will process the form using account 111003 (participant payments) and will submit a copy of the form to the Disbursements Section and to General Accounting.
4. **Disbursements** will produce and hand delivers a check to the Lead Cashier in the Bursar's Office along with a copy of the Advance for Research Subject Form.
5. **Bursar's Office** will contact the custodian designated on the form to make arrangements to pick up the cash.
6. **The Custodian** will provide a picture ID to the Cashier for identity verification and acknowledge receipt of the participant payment cash fund on the Advance for Research Subject Form. The form is retained in the Cashiers Office and a signed copy of the form is sent to General Accounting CSC 338
7. The **Custodian** will safe guard the cash in a lock box that is not in plain site or vault.
8. **General Accounting** will match forms provided by Accounts Payable and Bursar's Office to GL entries. Files will be kept on all projects having Participant Payment Funds and account 111003 will be reconciled monthly.

B. **Replenishments of Fund**

Funds will be replenished no less than monthly so that the transactions can be recorded on a timely basis. It is not necessary to use all of the funds before submitting a reimbursement request. In addition, the fund should be replenished prior to the university's fiscal year end (June 30) in order to record expenditures in the proper fiscal period. A "theft" of Participant Payment Cash Funds needs to be supported by a copy of a police report before being reimbursed.

1. The **Custodian** will complete the Participant Payment Replenishment/Closure form, ( Replenishment Form) and fax to the Lead Cashier at either the MMC or BBC campus at least 24 hours prior to when the cash will be picked up and submit the form to OSRA for approval.
2. **OSRA** will immediately approve or deny the form request and return to the Custodian.
3. The **Custodian** will submit the approved Replenishment Form to the Bursar's office along with supporting payment log and a picture ID for verification to the Lead Cashier. The payment log must contain a minimum of the following information; Study Name, Project ID, Participant Name or Identifying Number for confidential studies, Date, Payment Amount and Initials of the Participant.
4. The **Lead Cashier** will verify the custodian using a picture ID and will verify that the log total equals the cash requested and supply the requested cash to the custodian.

C. **Closure of Participant Payment Funds:**

1. The **Custodian** will prepare a deposit for all remaining cash using a deposit transmittal to the project and account 11103 and submit the cash along with a completed Participant Payment

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Replenishment/Closure Form to the Lead Cashier in the Bursars Office. The total of the receipts and cash submitted must equal the total cash fund requested on the Advance for Research Subject Payment form.

2. The **Lead Cashier will** verify the cash, acknowledge receipt by signing the Participant Payment Replenishment/Closure form and forward a copy of the completed forms to General Accounting.

**4. Responsibilities for Participant Payment Cash Fund**

The Custodian agrees to

1. Maintain full responsibility of the fund and control over cash
  - a. Ensure cash and payment log is maintained in a secure, locked location separate from any other funds at all times.
  - b. Ensure monies distributed to research participants are made to bona fide participants of the project and are documented by the participant by signature or initials for confidential studies on the payment log.
  - c. Monitor and reconcile fund on a monthly basis to ensure cash on hand equals total participant fund less documented disbursements to participants.
  - d. Wages may be garnished for monies received and if lost, may be responsible for replenishing fund.
2. Replenish the Participant Payment Cash Fund on at least a monthly basis by following the Replenishment of Fund (Section B).
3. Not borrow from the fund, make payments from the fund to employees or to reimburse other activities.

**5. Acronyms Used**

OSRA- Office of Sponsored Research  
PI - Principal Investigator  
OOC – Office of the Controller  
IRB – Institutional Review Board

**6. Forms & Related Policies**

Forms can be obtained by going to the OOC Offices websites at <http://finance.fiu.edu/controller/index.html>

- . Advance for Research Subject Form
- Change of Custodial Form
- Participant Payment Replenishment /Closure Form
- Participant Payment Cash Fund Log

Related Policy: Payments to Research Participants