

Making Payments to Research Study Participants Part 1: Foundational Knowledge

Presenters:

Lynell Griffin, Director - Disbursements

Cindy Lyons, Deputy Controller

Kenyatta Woolridge, Senior Disbursements Specialist

April 1, 2021

Agenda

1. Introduction – Lynell Griffin
2. Overview and Fundamentals – Cindy Lyons
3. Processing Funding Requests – Kenyatta Woolridge
4. Quantum Financials – Lynell Griffin
5. Questions/Discussion
6. Wrap up – Lynell Griffin

1. Introduction

About Disbursements

- The Office of the Controller-Disbursements oversees and processes payments to individuals and organizations engaged in business with UMB
- Disbursements includes accounts payable, working fund, and travel
- Office located on the 13th floor of the Saratoga Building

About Disbursements (cont')

- Our goal is to provide excellent customer service while ensuring timely and appropriate payments
- Currently there are 13 staff members

<https://www.umaryland.edu/financialservices/disbursements/contact/>

2. Overview of Study Participant Payments: Definitions and Structure

2a. What is a Research Study Participant?

A Research Study Participant (RSP) is

A living individual (aka human subject) about whom a Principal Investigator conducting research obtains:

- 1) Data through intervention or interaction with the individual or
- 2) Identifiable private information.

2b. UMB Offices with Responsibilities in Research Study Participants

Partial List of UMB Constituents

Office of Research and Development:

- Clinical Trials and Corporate Contracts
- Sponsored Programs Administration

Office of Accountability and Compliance:

- Human Research Protections (HRP) Office
- Institutional Review Board

Administration and Finance:

- Office of the Controller (Formerly known as Financial Services)
- Change Management and Advisory Services
- Sponsored Projects Accounting and Compliance

2c. The Office of the Controller (OOTC) is under Administration and Finance

Navigation to Webpages

Disbursements:

UMB homepage>About UMB>Administration and Finance>Finance and
Auxiliary Services>Financial Services>Disbursements

Or: umaryland.edu/financialservices/

Quantum Financials:

UMB homepage>About UMB>Administration and Finance>Finance and
Auxiliary Services>Financial Systems>Quantum

Or: umaryland.edu/quantum/

Finance

For Finance, “Research Study” refers to

- A study that has been approved by the Institutional Review Board (IRB)

and

- Recorded as Restricted Funds
(e.g. Source C30 series: 315, 335, etc.)

How Finance Works

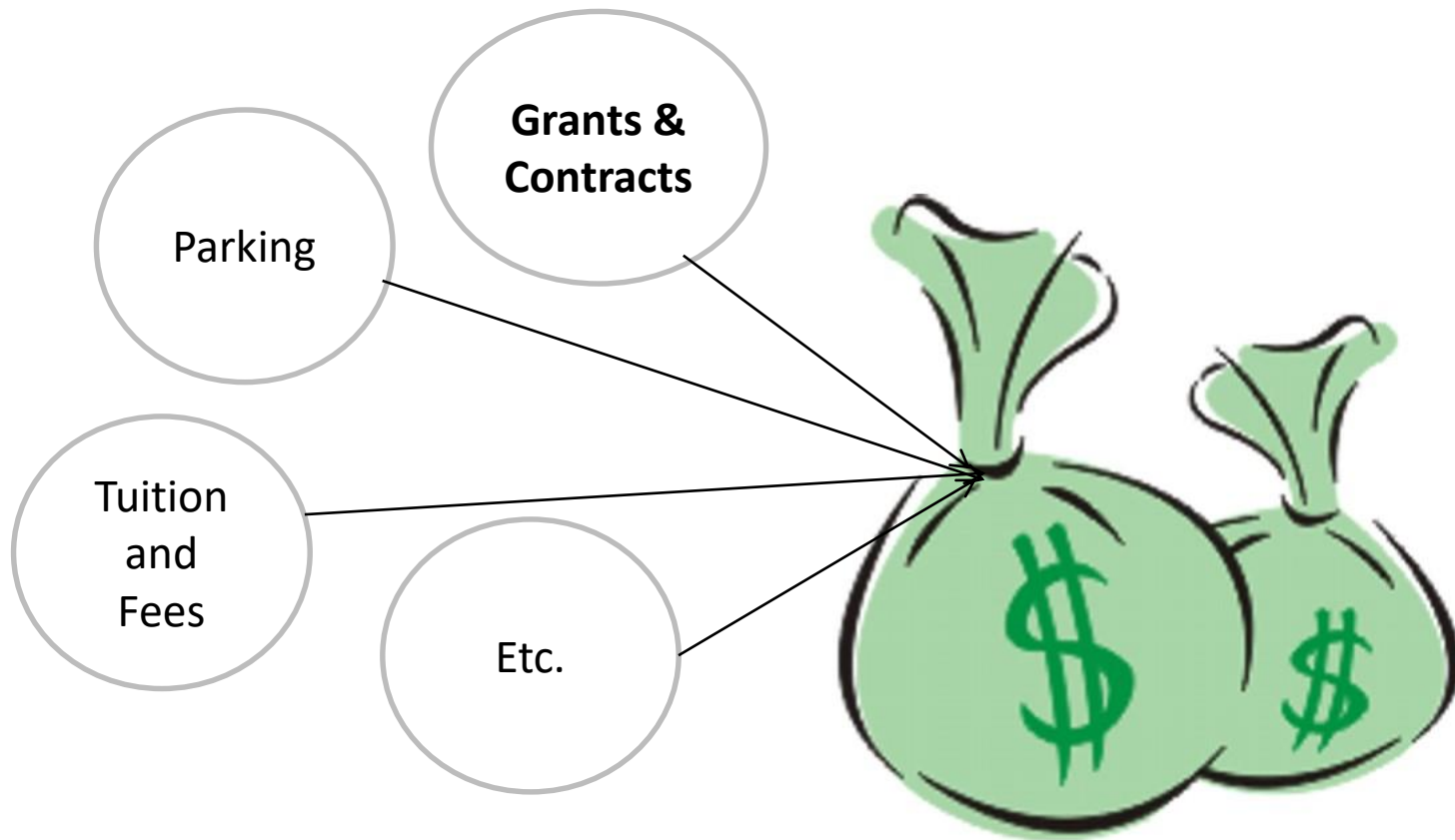
UMB is a hybrid model:

- State institution funded with State funds
- Research-intensive funded with sponsored funds

Therefore, UMB must comply with State regulations **and** with research requirements.

How Finance Works

All funds are deposited into the State bank account.



How Finance Works

Two ways to access the funds:

1. Invoice – request to pay a third party supplier
2. Reimbursement – request to reimburse a supplier for funds spent on behalf of UMB

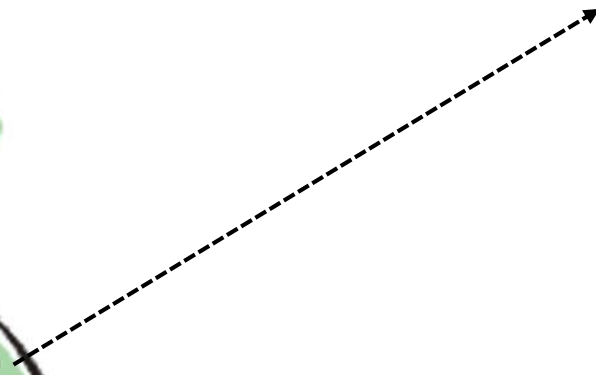
Upon submission of acceptable documentation to the State, the State will issue payment to the recipient.

How Finance Works

The State requires sufficient documentation that supports the goods or services provided to UMB. Certain charges (e.g. taxes) and certain expenses (e.g. gifts, personal) are unallowable.

Funds are held in
the State of
Maryland Bank
Account

On behalf of **UMB**



2d. How Research Study Participant Payments Work

How RSP Payments Work

Research study participants are unique in that they are not typically reimbursements and they do not invoice UMB for their “services.”

How RSP Payments Work

- Payments must comply with State regulations concerning invoice payments (i.e. purpose, expenses must be allowable, etc.).
- This is why the documentation accompanying RSP requests must be complete and accurate.
 - For example, the payment request must be within the timeframe stated on the accompanying grant documents, amounts and payment schedule must match the consent form, etc.

How RSP Payments Work

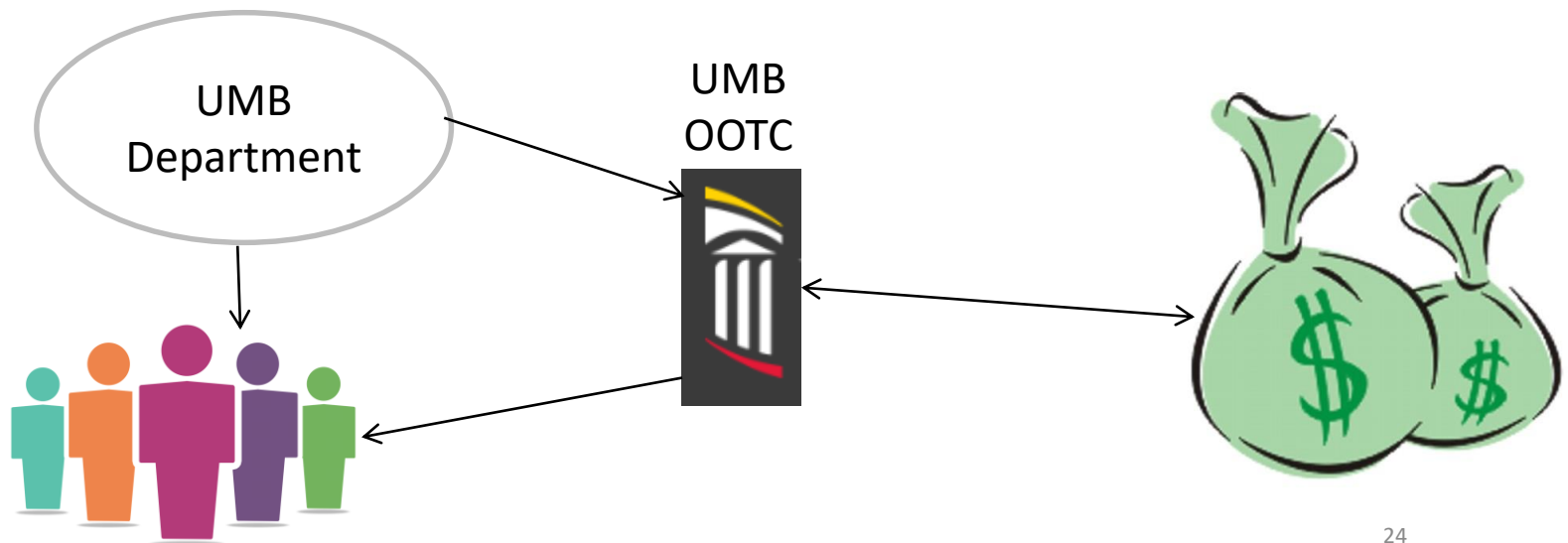
- A check issued by the State can take up to 3 weeks after the payment is sent to the State by UMB.
- UMB has been approved by the State of Maryland to issue payments to RSPs through the UMB Working Fund so that UMB can pay RSPs timely.
- The UMB Working Fund is an “advance” from the State to pay RSPs.

How RSP Payments Work

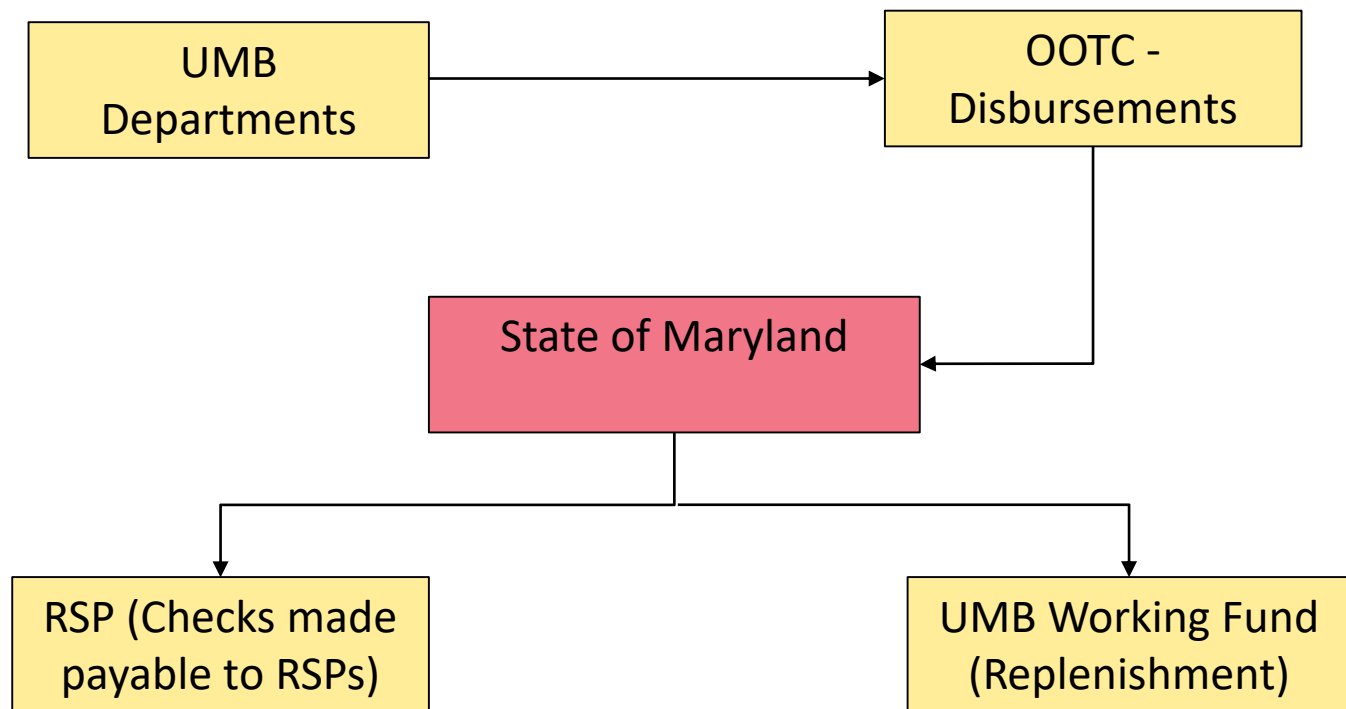
- Most RSP payments are processed through the UMB Working Fund.
- The UMB Working Fund is a special M&T Bank account.
- UMB Working Fund checks are processed and printed by Disbursements in the Office of the Controller (OOTC-D).

How RSP Payments Work

Payments to RSPs out of the UMB Working Fund M&T Bank Account are replenished from the State Bank Account on a regular basis. Therefore, State requirements apply.



Summary of the Workflow



2e. Accounting Principles

Accounting Principles



Accounting principles require that expenses are recorded when incurred.

RSP expenses are not incurred until the payment is actually made to the RSP.

- Checks made payable to RSPs: The expenses are considered incurred when the check to an individual is processed, whether the request is for a Working Fund check or a State check. Recorded in expense object 3130 Participant Study Pay - Individual.

Accounting Principles



- For RSPs who receive cash or gift cards, the expenses are incurred when the RSP receives the cash or gift card.
- When cash or gift cards are used, object 7062 is used to “hold” the funds until disbursed to the RSP.

Also, UMB cannot invoice for F&A until expense is incurred.

Accounting Principles



Object 7062 – Study Participant Pay

When cash or gift cards are distributed, a debit memo is required to move the funds from 7062 to expense object 3125 – Study Participant Group.

Accounting Principles

Object 7062 – Study Participant Pay

- It is critical that funds do not linger in object 7062. Debit memos should be processed timely.
- 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.

2f. 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

- 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

2g. Policy and Procedure: Reconciliations

Note: Part 2 of this workshop will step through the reconciliations.

Reconcile Payments with the Study Funds Received

- A reconciliation is a formal document that summarizes the funds received, distributed and remaining. Interim reconciliations should be signed and dated by the preparer. Final reconciliations should be reviewed, signed and dated by the preparer, department administrator (or designee), and Principal Investigator.

- Notes:
 1. The study participant log (or other record showing recipient payments) is required.
 2. Count cash and gift cards at least once per month.
 3. Reconcile count and activity with the original fund request at least once per month.
 4. Compare activity on the reconciliation worksheet with the general ledger activity.

Reconciliations

1. Count cash and gift cards on hand

– Complete the [Cash/Gift Card Count Sheet](#):

SAMPLE

University of Maryland Baltimore

Cash/Gift Card Count Sheet

Instructions: Please fill in the fields shaded blue below.

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

BILLS			GIFT CARDS		
Value	Quantity	Amount	Denomination	Quantity	Amount
\$100	x			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 Bills		<u>\$0</u>	Total Value of Gift Cards		<u>\$0</u>

RECONCILIATION

	Check/GC Order Amount	Distribution
WF Request - Check #/GC Order #		Cash Gift Cards
		<u>\$0</u>
Check/Order request amt	\$0	
Less: Distribution	0	
Amt. Remaining	0	
Cash/card count	0	
Difference	<u>\$0</u>	

Reconciliations Continued

2. Reconcile count and activity to the original funding

– You will need the [Study Participant Log](#):

SAMPLE

Study Participant Log
IRB/Protocol #62507322
Project ID 12345678

WF Request - November 1, 2012

November 22, 2012	Signature or Participant ID Number	Cash	Gift Card	Check
Michael Smith		\$50		
Keith Smith		\$50		
Charles Smith		\$50		
Brian Smith		\$50		
William Smith		\$50		
Total		\$250		

November 23, 2012				
Robert Johnson		\$50		
James Johnson		\$50		
Total		\$100		

November 24, 2012				
Paul Hewson			\$50	
David Evans			\$50	
Total			\$100	

Dr. Bruce Clemons
PI Name

11/30/2012
Verification Date

PI Signature

Reconciliations Continued

3. Complete the [Reconciliation Worksheet](#):

Study Participant Reconciliation Template

IRB/Protocol #62507322

Project ID 12345678

Instructions: Please fill in the fields shaded blue below.

SUMMARY OF ACTIVITY

	Date	Cash	Gift Cards	Total
Amount Distributed to Participants *	11/22/2012	250		250
* Detail on Study Participant Log	11/23/2012	100		100
	11/24/2012		100	100
				-
				-
Total Distributed		\$350	\$100	\$450
Remaining In Department (per cash/card count)	11/30/2012	525	25	550
Total Distributed and Remaining		\$875	\$125	\$1,000

RECONCILIATION

	Date	Check Amount	Distribution (autofills from above)
WF Request - Check #15875	11/1/2012	1,000	Cash 350 Gift Card: 100
			\$450
		Check request amount \$1,000	
		Less: Distribution (450)	
		Amt. Remaining 550	
		Cash/card count 550	
		Difference \$0	

General Ledger Reconciliation

Amount Distributed from Above	\$450
Amount Charged to Project General Ledger Account 3125	\$450
Difference	\$0

-----Note: Any difference not equal to zero requires investigation and corrective action-----

Nate Reuss - Study Coordinator
Name & Title of Preparer

Signature of Preparer and Date

Noel Mitchell - Research Administrator
Name & Title of Reviewer

Signature of Reviewer and Date

Dr. Bruce Clemons
Name of Principal Investigator

Signature of Principal Investigator and Date

What to Do When the Study Ends

Note: If the part of the study involving compensation to participants ends significantly earlier than the end of the study project then the best practice is to settle undistributed cash, gift cards, and checks as soon as possible.

- Perform final cash, gift card count
- Reconcile final count and activity with the initial funding
- Process any remaining debit memos needed to clear object code 7062
- Return all unused funds within 30 days
- Details on how to return unused funds will be provided in Part 2.

2g. The IRS



- What is a 1099-MISC?
 - An IRS form used to report income to the IRS
 - Required when all taxable payments to an individual equal or exceed \$600 in a calendar year
 - All payments includes stipends, study participant payments, etc.
 - Be aware that payments processed through Disbursements are combined by tax ID number (be sure to use the correct object code when entering a NONPO Invoice)

Alert!

In order to comply with IRS tax reporting requirements:

- State checks payable directly to the RSP require the RSP's SSN regardless of the amount of the check.
- UMB Working Fund checks payable directly to the RSP require the RSP's SSN if the check is equal to or greater than \$100.00.
- An RSP who receives a gift card of \$100 or more is also required to provide their SSN.
- When departments are aware that their RSPs receive a total of \$600.00 or more per calendar year, RSP information should be sent to Disbursements.

2h. Questions?



2i. Change Management and Advisory Services

Change Management and Advisory Services (CMAS)

- (CMAS) provides assistance and oversight to campus departments with any audit, compliance, and general fiscal or operational matters. They support the University by advising, assisting, and educating the campus community on accountability and compliance effectiveness.

Saratoga Building
Ground Floor Level

CMAS Review Requirements

- Conduct periodic reviews of a sample of payments to ensure departments are reconciling logs and reclassifying appropriate amounts
- Ensure departments are following policy and procedures (i.e. all requirements)
- Report results to the department selected, OOTC, and SPAC

Compliance Trends

- Funds not adequately secured and accounted for (offsite locations, personal bank accounts)
- Initial and monthly counts are not done, not done by independent person, not documented
- Funds are not tracked properly (no log, only receipts) or separately by working fund request
- Study participant logs don't have all necessary information (no participant signature)

Compliance Trends (Cont.)

- Debit memos to reclassify disbursement amounts are not performed or amount transferred is not proper
- PI not verifying study participant logs by signing and dating log
- Undistributed funds not deposited back timely (unused cash or gift cards)

Important Concepts - Review

- Policy and Procedure controls and requirements apply to:
 - All types of compensation (e.g. checks, cash, GCs)
 - All sources of compensation (e.g. Working Fund, State, and GCS)
 - All types of physical and electronic delivery methods (e.g. Face-to-face, U.S. mail, email)
 - All study/department locations (e.g. on campus, off campus, remote)

Important Concepts - Review

- Use caution to ensure that the SPP process is used for the purpose intended
 - People
 - Compensate Study Participants (see definition)
 - Funds
 - Used to pay Study Participants for participating in a study as allowed/described in the study documents

Important Concepts - Review

- **Validity of the participants – Required by the PI**
 - The process for providing reasonable assurance that payments are only made to individuals who are enrolled in the research study. The Study Participant Log must be compared to the research study records to validate that people listed on the log are valid study participants. The method that is used to test the validity should be documented.
 - Referred to under each form of compensation in the Procedure

Important Concepts - Review

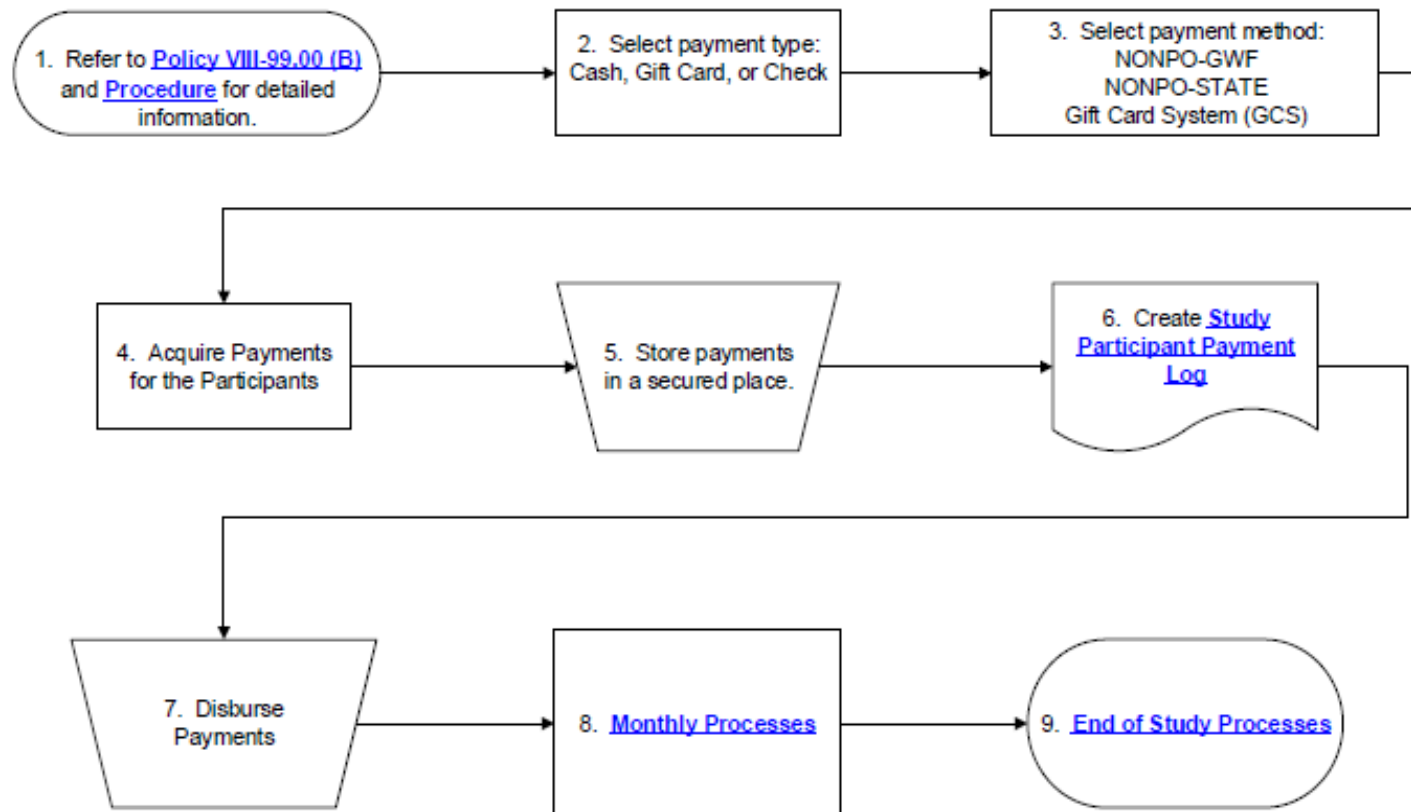
- Proper segregation of duties:
 - Person A acquires funds and Person B counts and verifies the funds
 - A person not directly associated with the study performs the monthly reconciliations
 - Funds are stored in a safe or locked drawer

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.

- Email all NONPO State Payment request to rs-bf-nonPO@umaryland.edu Subject: Invoice# XXX

Step 2: Select Source of Compensation

- Check Payment-GWF
 - Hours of operation: 9am – 4pm M-Th. (Social Distancing Rules apply)
 - 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.
 - Email all NONPO GWF Payment request to rs-bf-nonpo@umaryland.edu Subject: Invoice# XXX

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” (slide 41) 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 30 days of receipt of check 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 Card System

- Will be retired in 2021. Only cards in inventory may be requested. We will not purchase new cards or process special orders.
- We will honor buybacks for cards purchased prior to 2021 only.
- Cashier's Office Information:
 - Open Tuesday and Thursday from 9:00 AM – 3:00 PM by appointment only.
 - Click this link to schedule an appointment:
<https://outlook.office365.com/owa/calendar/UMBUniversityCashier@umbcits.onmicrosoft.com/bookings/>
 - Cashier's Office Webpage:
<https://www.umaryland.edu/student-financial-services/> .

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](#)

Step 3: Documentation

- Consent Form:
 - Reflect the PI's name, study number, and consent approval date
 - Revisions to Federal Regulations January 21, 2019. No expiration date, but not to FDA Regulated Research "ex. ICDs must include expiration date"
 - Outlines of the Purpose sheet(s), the payment to participant sheet(s) or other compensation and procedure (ex. check, cash, gift card/certificate, transportation)
 - If no compensation is to be offered, then state that participants will not be paid

Step 3: Documentation

- **Consent Form:**
 - If the study includes compensation to participants \geq \$600 in a calendar year, include a statement to inform participants that the income will be reported to the IRS.
 - Income can be a combination of cash, checks, or gift cards
 - An outdated Consent Form may not be used

Step 3: Documentation

- UMB IRB Documentation - -
 - If a study is shared with another institution, the documentation submitted with the payment request must include the UMB IRB document authorizing the payment.
- All signatures must be original signatures. Stamped, script font, or photocopied signatures are not allowed.

Questions?



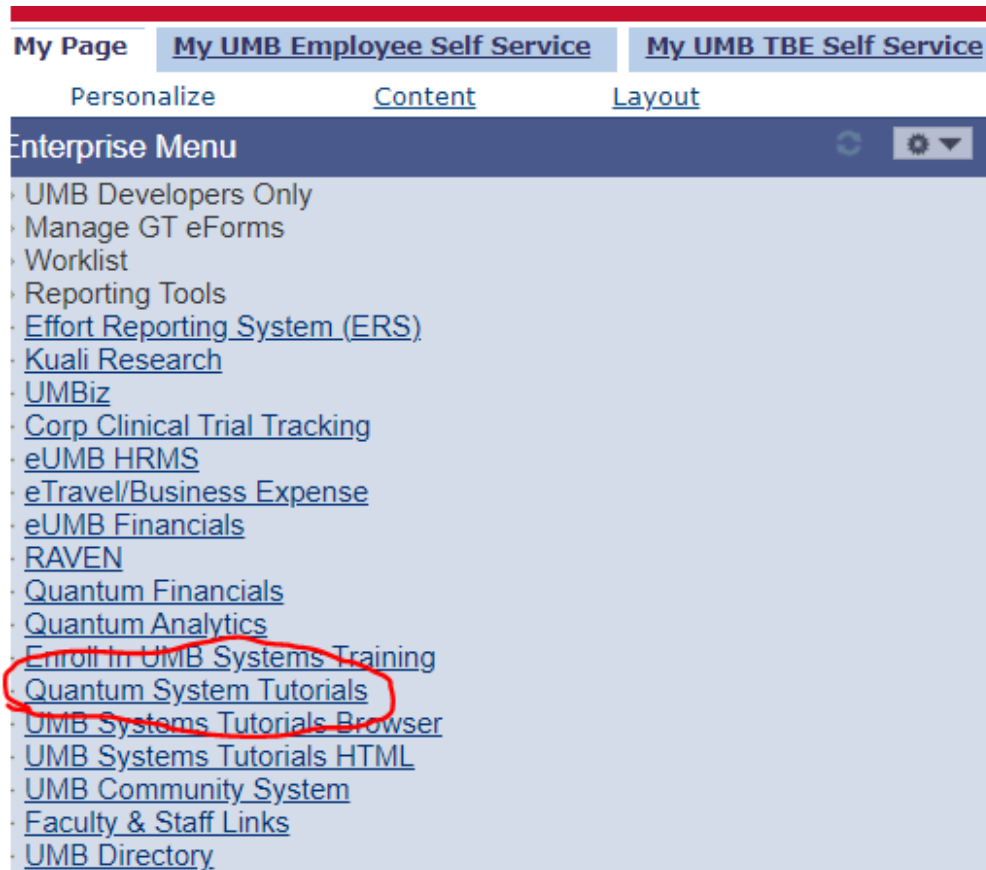
4. Quantum Financials

Using Quantum Financials to Request Payments

- FY21: Over \$1.5 million in payments processed for research study participants
- System Tutorials
 - Training materials can be found on the portal home page
 - Trainings cover supplier registration, creating NONPO invoice request, checking payment status, and other topics related to NONPO invoices

Using Quantum Financials to Request Payments

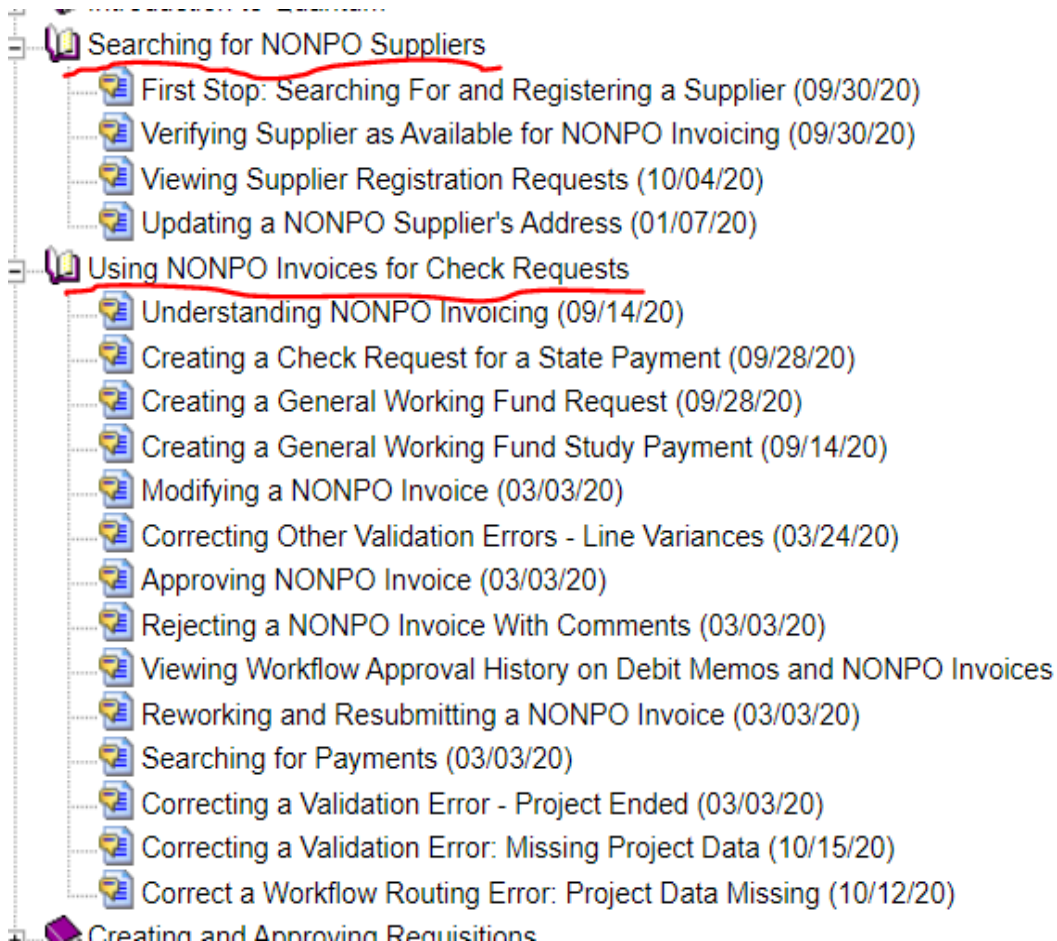
- Once you log onto the portal page, the Quantum System Tutorials can be found on the left hand side of the page:



The screenshot displays the UMB Employee Self Service portal interface. At the top, there are three tabs: "My Page", "My UMB Employee Self Service" (which is selected), and "My UMB TBE Self Service". Below the tabs are three links: "Personalize", "Content", and "Layout". The main content area is titled "Enterprise Menu" and contains a list of links. The link "Quantum System Tutorials" is circled in red. Other links in the menu include "UMB Developers Only", "Manage GT eForms", "Worklist", "Reporting Tools", "Effort Reporting System (ERS)", "Kuali Research", "UMBiz", "Corp Clinical Trial Tracking", "eUMB HRMS", "eTravel/Business Expense", "eUMB Financials", "RAVEN", "Quantum Analytics", "Enroll in UMB Systems Training", "UMB Systems Tutorials Browser", "UMB Systems Tutorials HTML", "UMB Community System", "Faculty & Staff Links", and "UMB Directory".

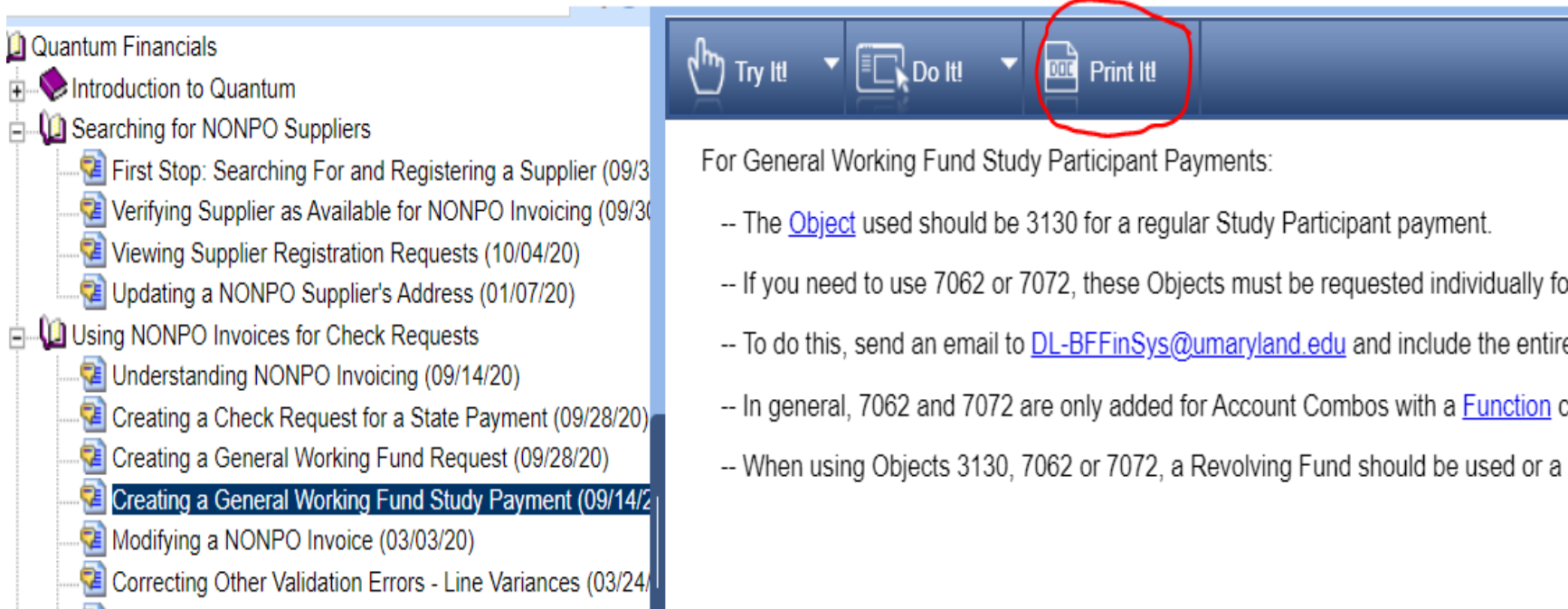
Using Quantum Financials to Request Payments

- After you click on the link for the tutorials, a menu will appear. If you open up the menu, you will see multiple trainings available



Using Quantum Financials to Request Payments

- If you select a topic, additional options become available. Printing the module allows you to add notes to assist with understanding. The printed version can be a great resource that is readily available



Quantum Financials

- Introduction to Quantum
- Searching for NONPO Suppliers
 - First Stop: Searching For and Registering a Supplier (09/30/20)
 - Verifying Supplier as Available for NONPO Invoicing (09/30/20)
 - Viewing Supplier Registration Requests (10/04/20)
 - Updating a NONPO Supplier's Address (01/07/20)
- Using NONPO Invoices for Check Requests
 - Understanding NONPO Invoicing (09/14/20)
 - Creating a Check Request for a State Payment (09/28/20)
 - Creating a General Working Fund Request (09/28/20)
 - Creating a General Working Fund Study Payment (09/14/20)**
 - Modifying a NONPO Invoice (03/03/20)
 - Correcting Other Validation Errors - Line Variances (03/24/20)

Try It! Do It! **Print It!**

For General Working Fund Study Participant Payments:

- The Object used should be 3130 for a regular Study Participant payment.
- If you need to use 7062 or 7072, these Objects must be requested individually for
- To do this, send an email to DL-BFFinSys@umaryland.edu and include the entire
- In general, 7062 and 7072 are only added for Account Combos with a Function c
- When using Objects 3130, 7062 or 7072, a Revolving Fund should be used or a



Future Availability

- Supplier registration spreadsheet upload
- Access to state payment information for various types of payments in Quantum Financials and Quantum Analytics
- Dedicated research study participant payment webpage

Disbursements

Accounts Payable
Quantum Financials - Disbursements
Employee Reimbursements
Travel
Working Fund
Gift Cards
Workshops
Disbursements Staff Directory

CONTACT

 **Kenyatta Woolridge**
Sr. Disbursements Specialist

 fs-workingfund@umaryland.edu

 **Working Fund**
220 Arch Street
13th Floor

Research Study Participant Payments

A research study participant is a living individual about whom a Principal Investigator (PI) conducting research obtains: 1) data through intervention or interaction with the individual or 2) identifiable private information.

Some research studies may provide for compensation payments to study participants as evidenced in the contract between the research sponsor and the research institution. Compensation may be in the form of a check payable to the participant, cash, or gift cards. The research study documents identify which method of payment is allowed for the study.

QUICK LINKS

- [Policy](#)
- [Procedure](#)
- [Forms](#)
- [Gift Cards](#)

HEADER



HEADER



HEADER



FY21 Year End Deadlines

- **NONPO Supplier Registrations**- new suppliers that are needed for FY21 invoices must be submitted with complete and accurate information by **Wednesday, June 2nd**.
- **NONPO invoices with “State Payment”** payment method- the invoice must be initiated and approved by the department and supporting documentation must be emailed to rs-bf-nonpo@umaryland.edu via [Accellion](#) by **Wednesday, June 16th**.
- **NONPO invoices with “General Working Fund”** payment method- the invoice must be initiated and approved by the department and supporting documentation emailed to rs-bf-nonpo@umaryland.edu via [Accellion](#) by **Wednesday, June 16th**.

Contacts

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2. Michele Robinson
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michele.robinson@umaryland.edu
3. FS-Workingfund@umaryland.edu

Questions?



Next Workshop:

Thursday, April 22, 2021

10:00am -12:00pm

by web seminar

Part 2: Viewing study participant payment transactions in Quantum Financials and Quantum Analytics, and Tango Card purchases and refunds.

Guest Speaker: Tamira McCord from Tango, Inc.