



University of Pittsburgh
Unit Level Payments for Research Participants, Students, and Other Activities
Policy FN 29

Implementing Executive: Senior Vice Chancellor and Chief Financial Officer
Responsible Unit: Financial Operations
Category: Financial Policies
Effective Date: June 18, 2024

I. Purpose

This Policy authorizes the University's Payment Processing and Compliance Department (PPC) to manage the process by which University Units (i.e., Responsibility Centers, academic units, operational departments, or regional campuses) execute Unit-level payments, as described below. This Policy also describes the responsibilities of the Units that receive authorization to make these payments.

II. Scope

This Policy applies to all University Units.

III. Policy

University Unit level research participant, student, and other activity payments are initiated, authorized, paid, recorded, secured, reported, and reconciled within the Unit. These payments are given directly to the payee by the Unit and the use of these payments is restricted to the uses described in this Policy. The University of Pittsburgh recognizes the need for Units to be able to make such payments for certain University activities. For instance, Units often need to make payments to research participants for their participation in research activities or to students to cover the payment of certain expenses incurred on behalf of the University. This Policy governs how such payments can be made. In accordance with this Policy, PPC will provide a secure unit payment system (e.g., Stored Value Card system) for Units to make these payments and, if authorized, Units that make such a payment must do so as required here and pursuant to instructions provided by PPC.

A. Authorization and Requirements

PPC is authorized to approve which University Units may issue the payments described below and is responsible for (1) managing the process by which University Units issue those payments; (2) establishing secure unit payment systems; and (3) developing and providing information to Units on the authorized uses of these payments.

If authorized to issue such payments, University Units must use the systems and processes provided by PPC and are responsible for monitoring whether their employees properly initiate, authorize, record, secure, report, and reconcile these payments consistent with PPC provided [support documentation and guidelines](#). At a minimum, University Units are required to maintain a separate register (e.g., payment log or study record) that supports the transaction activity. Information in that register must be kept secure in compliance with data security policies and secure unit payment system guidelines established by PPC. PPC may set additional requirements, including training prerequisites.

B. Use of Unit Payments

This section describes the approved payment recipients and typical expenses for each. PPC is authorized to include other types of recipients and expenses to be paid for utilizing the secure unit payment system. Please refer to the [PPC website](#) for eligible expenses by recipient and requests for payment recipients.

When authorized to issue the payments described in this policy, a Unit must use the secure unit payment systems established by PPC. Those systems are identified on PPC's website.

1. Unit Payments to Research Participants

Research participants may be paid for their participation in the University's efforts to gather research data and to pay for expenses incurred to participate in that research (i.e., parking, bus fees, tolls, etc.).

If such payment is issued, the University is required by the IRS pursuant to 26 CFR § 1.6041-1 and instructions for Forms 1099-MISC and 1099-NEC, to request a Payee's social security number (SSN) or other personally identifiable information and to report annual payments over \$600 to both the Payee and the IRS on a 1099 – MISC form. When a Payee does not provide their SSN or other required information, the regulations noted above require the University to withhold 24% from the payment (called backup withholding) and remit it to the IRS. The University is then also required to submit a 1099 – MISC to both the Payee and the IRS regardless of the amount paid during the year.

The Human Research Protection Office (HRPO) can waive the requirement for researchers to obtain this personally identifiable information from payees.

Researchers who want to apply for a waiver can find information at [HRPO Exception Requests](#). If a waiver is granted by HRPO, the researcher must provide documentation of the waiver to PPC in order to have the requirement waived in the secure unit payment system and avoid the backup withholding mentioned above from occurring.

2. Unit Payments to Students

Units can issue payments to students only for per diems and for residence life activities (e.g., paying for floor events, student bonding activities, etc.). Units cannot make payments from this system to students for compensation, financial aid, or travel reimbursements. For information on uses refer to [PPC's website](#) or if you have questions on the uses contact [PPC](#).

3. Unit Payments for Other Activity

Unit Payments may not be used for other activities, unless approved by PPC in advance. If an other activity payments are approved, the Unit must obtain a W-9 to comply with the University obligation to report cumulative annual payments to individuals that are in excess of \$600. PPC must publish on its website a list of approved activities for this type of payment.

For information on uses refer to [PPC's website](#) or if you have questions on the uses contact [PPC](#).

IV. Noncompliance

Units must comply with this Policy, and noncompliance may lead to sanctions through procedures stipulated by PPC, in the Faculty or Staff Handbook, or the Student Code of Conduct, as applicable.

V. Governance and/or Responsibilities

- University Units, and their employees, must comply with PPC's requirements, including reconciling activity to the secure unit payment system, when seeking to issue payments covered by this Policy.
- PPC will manage the authorization process, as well as access, use, and controls of the secure unit payment systems and methods for the payments covered by this Policy, including approving the use of payments not covered in this Policy.
- HRPO provide a process for researchers to obtain an exemption for collecting certain required information.

VI. Contact Information/Public Accessibility

For questions on the uses of Unit payments contact pittvincentaccess@pitt.edu or pittvin@pitt.edu.

For questions about Waiving requirements for research payments contact the [Human Research Protection Office](#) at Askirb@pitt.edu.

VII. Related Authorities and Policies

- [Secure Payment System support documentation and guidelines](#)
- [CS 23 -Use and Management of Social Security Numbers and University Primary ID \("UPI"\)](#)
- [University's HIPAA policy](#)
- [Vincent SharePoint Site](#)
- [Record Storage and Retention](#)
- [HRPO Exception Requests](#)