

Standard Operating Procedure:
Procurement of E-Gift or Physical Cards for the Purpose of Compensating Participants for Research Participation

Gift cards can only be purchased by a faculty member or student out-of-pocket. If reimbursement from the fund or a grant is requested, please follow the following procedures. These procedures only apply to Gift cards that will be used to compensate participants for participation in research. Physical gift cards can be purchased using a Purchase Requisition and/or through the Bookstore.

- A. Before making a purchase, submit the following to the Department Head:
 - a. Justification for the purchase (research grant or proposal) and verification of funding approval.
 - b. Verification of Office of Research Administration & Compliance (ORAC), formerly SPFAC, approval for compensating research participants.
 - c. Procedure describing:
 - i. Who will purchase gift cards
 - ii. From what vendor gift cards will be purchased
 - iii. How many gift cards will be purchased
 - iv. How gift cards will be distributed (e.g., will codes be e-mailed to recipients directly from the vendor, or will codes be sent to the researcher/faculty member for distribution to recipients)
 - v. How records will be recorded and maintained regarding the purchase(s); specifically regarding the purchase date, number of e-gift cards, amount, recipient(s), and who will maintain this record (e.g., PI or other study personnel).
 - vi. How participant e-mail addresses will be kept confidential
 - d. Verification that no UL Employees will be receiving gift cards.
- B. To seek reimbursement for the purchase of gift cards, please complete a Direct Pay form. An itemized receipt must be attached to the form as well as the list of items approved in A (above). A check or direct deposit will be issued upon approval of the form.

Definitions:

- An e-gift card is a virtual gift card or store credit code purchased from an online retailer (e.g., Amazon). Typically, e-gift cards are sent via e-mail, and contain a code that the recipient can use to purchase goods or services from that retailer.
- A gift code is the specific code that can be redeemed. It may be possible to purchase codes in bulk, without the accompanying messaging included in a single e-gift card purchase.

Specific Guidelines:

- A. Researchers are responsible for following guidelines set by the source of funding and assuring the gift cards of any kind are an allowable purchase.
- B. The nature of gift cards requires some personal information (e-mail or possibly phone number, if codes are delivered via text message) be collected and stored. Researchers should keep the collection of personal information to a minimum, and should endeavor to keep personal information separate from research response data. Procedures for safeguarding participant information should be stated in the consent form.
- C. The Consent Form should clearly indicate that a gift card with a specified monetary value will be given for participation and when it will be distributed. However, within the Consent Form, participants must still be given the option to terminate participation at any time of the study. Furthermore, it must be made

clear that if they do terminate the study, they will not receive the gift cards specified. That statement should be followed by another statement indicating that termination of participation of this study does not prevent them from enrolling for other experiments available where they may earn class credit and/or monetary incentives.

- D. No participant should ever reach \$600 in money received from the University. That would warrant reporting income to federal agencies such as the IRS. With that consideration, monetary incentives should be kept at a level to avoid anyone from ever reaching this maximum by participation in multiple experiments.

Participant payments made to non-resident aliens are subject to 30% federal tax withholding, regardless of the payment type or amount, in accordance with IRS Publication 515. For tax purposes, the following information **must** be provided for all non-resident alien participant payments:

- Completed W-8BEN, including:
 - Name
 - Address
 - Country
 - Date of birth
 - SSN, if available
- Passport
- Visa
- I-94

- E. **No UL Employees should ever receive money in the form of gift cards (including e-gift cards).**

This includes faculty, staff, graduate assistants, and student workers. Therefore, screening of participants to determine if they are faculty, staff, graduate assistant, or student worker should take place prior to participation. Those individuals would not be allowed to participate and should be advised that they may enroll for other experiments available within the Psychology Department.

- F. All e-gift cards must be accounted for at the end of the study. If codes are purchased in bulk, care must be taken to make sure that all codes are delivered to study participants in accordance with approved research protocols. The problem of surplus gift codes can be avoided by purchases of only the number of gift cards that the PI or faculty member is absolutely sure will be issued.
- G. The PI of the study assumes final responsibility for distribution of gift cards.