Research Participant Payment Processing

CATS Panel Discussion, September 23 2015

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Presentation Focus

- What type of payee record is used?
- Tax considerations
- Published guide for bullet one and two
- National Gift Card Corporation
- Q&A for tax considerations
- Q&A for Office of Research Administration considerations
What type of payee record is used?

- Any of three KFS vendor types
  - Participant Payment vendor (SP)
  - Purchase Order vendor (PO)
  - Disbursement Voucher vendor (DV)
- Employee records (University employees receiving payment for research participation must be paid on their employee record)
Quick guide for SP vendor in KFS

- Subject participant vendor records (SP) are created – exceptions (a). Employees, (b). Taxable payments, (c). Vendor already exists.
- Do not submit tax paperwork for SP vendor.
- SP vendor should be the minor if the participant is a minor. (Not the parent.)
- Paying a Travel Payment to a participant’s parents = DV vendor record and Travel Payment for a Nonemployee. Requires signed, dated tax paperwork.
Tax considerations

1. The initiating department keeps any information that may be required for tax reporting.
2. The detail is provided to IU University Tax Services in the event total Payment for the year exceeds $400.
3. Payment should be processed to a DV vendor record (rather than a subject payment record) if payment is expected to be more than $600 for year.
4. Foreign vendor payments require 30% tax withholding.
Published guide for bullets 1 and 2

VENDOR CREATION GUIDE: PARTICIPANT PAYMENT.pdf

Located on the AP Disbursement Voucher webpage:

DV - Procedures & Guides

These documents will help in understanding specific aspects for creating a routing DVs for approval.

Application for Financial Support for Student Organization
DV Supporting Documentation Procedures
KFS-DV-Routing-and-KFS-Read-Notes
KFS Quick Guide to Wire Transfer and Foreign Draft Processing
Vendor Creation Guide: Participant Payment
Vendor Creation Guide: DV Vendor and Refund Vendor
National Gift Card Corporation

- E ordering thru Shop Catalogs
- Pricing at face value
- Visa only card with an activation fee
- Delivery in 10 days or less
- All cards are shipped activated
- Shipments Insured up to $2,500
- Must be in compliance with Univ. Policies
Q&A for Tax Considerations
Q&A for Office of Research Administration considerations
Thank you for your participation.