**Payments to Research Subjects – Elimination of Use of VCN Form**

We are writing to inform the research community of a change in our practices for reporting and accounting for payments made to research subjects (“participants”) enrolled in certain studies at Johns Hopkins University – those that anticipate using a VCN form.

Payments for participation in human subject research constitute taxable income to the participant for purposes of U.S. federal and state income tax. Consequently, institutions making payments to study participants are required to report these payments to the Internal Revenue Service (IRS) if total payments (not including reimbursement for actual expenses such as parking or travel) made to the participant by the institution exceed $599 in any calendar year. These payments are reported via a Form 1099.

Because such payments constitute taxable income and are subject to reporting (if payments in a calendar year exceed $599), institutions making such payments are required to collect either a valid social security number (SSN) or individual taxpayer identification number (ITIN) from participants receiving payments. Failure to report a valid SSN or ITIN on a Form 1099 can result in penalties to the institution.

The fact that payments are being made for an activity that is considered confidential does not exempt the institution from reporting the payments should the greater-than-$599 threshold be met in a calendar year. In making the required report to the IRS, the University does not reveal the reason for the payment, including not revealing that the payment is for study participation, nor any information about the study in which the person was participating.

For the above reasons, effective immediately, the Verification of Confidential Nature (VCN) form will no longer be used. In the past, VCN forms were used to declare participation in an IRB protocol as “confidential,” and limiting the information that was collected about payments to subjects. As described here, SSNs/ITINs *must* be provided to the IRS when required, regardless of the confidential nature of the underlying research.

Existing VCNs will continue to be honored for the life of any specific IRB protocol with a pre-existing VCN, without the ongoing need for an annual update to or renewal of the VCN.

**Accounts Payable Shared Services (APSS) Requirements**

For petty cash, gift card, or nonreloadable paycard payments of $200 or more, Accounts Payable Shared Services requires the names, addresses, and SSN of study participants.

In sum:

* For payments $200/year or less = no identifiers collected for Accounts Payable
* For payments over $200/year = provide names, addresses and SSNs.