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The purpose of this Operating Policy (OP) is to establish procedures for payments made by Texas Tech University Health Sciences Center (TTUHSC) to individuals involved in research projects, surveys or studies and to ensure compliance with federal income tax withholding requirements and proper reporting of payments to the Internal Revenue Service (IRS).

This TTUHSC OP will be reviewed in June of each even-numbered year (ENY) by the Managing Director of Payroll and Tax Services, the Managing

- a. Research participant payments are those payments that compensate them for participation in approved research projects.
- b. All research projects that involve humans as subjects must be approved by the Institutional Review Board (IRB) for Protection of Human Subjects of Research project. See [HSC OP 73.06](#).

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- c. Research participants may be given the opportunity to participate without receiving payment if they do not wish to provide identifying information.
 - d. Research participants/patients are not to be confused with Standardized Patients. Standardized Patients perform a variety of duties in which they are trained to portray specific sets of health problems and symptoms that aide students in learning the proper techniques and procedures for taking medical histories, performing medical examinations, determining diagnoses and learning the appropriate way to educate and inform patients of diagnoses. Standardized Patients are considered temporary employees and payments for their services must be processed through the Swift Card Program.
 - f. Swift Cards are to be issued and used for participant payments only.
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- a. All payments to research participants/patients must be processed through the Swift Card Program. General information, program access and training materials are located on the

Swift Card web page located at
<http://www.fiscal.ttuhs.edu/paymentservices/swiftcardprogram/>.

Payments to nonresident aliens (individuals who are not U.S. Citizens, permanent resident aliens or resident aliens for tax purposes), regardless of the amount, are subject to 30% federal income tax withholding. At the time the Swift Card is activated for nonresident alien participants, 30% federal tax withholding must be deducted from the amount of the payment. See *Nonresident Alien Withholding Chart* located at http://www.fiscal.ttuhs.edu/fsm/training_home.aspx?category=swiftcard to determine withholding and card funding amounts. Failure to withhold taxes on payments to nonresident aliens could result in IRS penalties to be assessed in the case of an audit finding. Any penalties assessed by the IRS due to non-compliance will be charged to the