



Payment Processing Department Lunch & Learn

Vincent Payment Portal
Get to “Know Your Client”

Today's Discussion

- Vincent Overview
- Vincent payment type options (Vincent Card vs. Smart Payments)
- Vincent user roles (Role Definition, Capabilities, Responsibilities)
- Research subject identification requirements “Know Your Client”
- Compensation taxation ramifications
- Creating of a single member (payee) profile within Vincent.
- How to prevent creating a “duplicate” single member profile
- Vincent payment transaction flow chart
- Unallowable payment types in the Vincent application.
- Questions & who To Contact

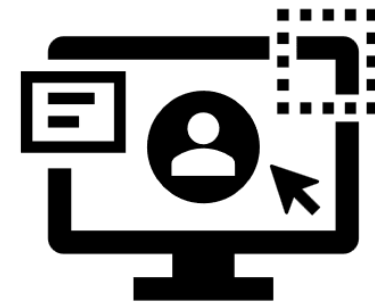


Vincent Overview

- The Vincent application is an electronic payment solution, that was designed to support the compensation payments to medical research study participants.
- The development of the Vincent application started in 2016 as an enhancement to the original payment solution WePay.
- WePay was created in 2006-2007 by a joint committee consisting of members of both the University of Pittsburgh and UPMC.
- Both institutions utilized WePay for their research related compensation payments for over 10 years.
- After receiving feedback from the users/members of WePay, a joint venture was formed by the University of Pittsburgh & UPMC to initiate the development of Vincent.
- After 2 years of Beta testing (2016-2018), the Vincent application was developed and launched as the new and approved electronic payment solution for both institutions.

Vincent Features and Capabilities

- The Vincent application allows payments to be made in a controlled, auditable environment with complete accounting to General Ledger with minimal risk and exposure to staff or clients.
- Supports four different payment type options in which the research community can offer their participants. (Traditional Vincent Card Vs. Smart Payment options)
- Cloud Based & Mobile Friendly
- Flexible card management options
- Ability to initiate group payments
- Accessible payment transaction reports, and payment receipts.



Vincent Payment Type and Descriptions

- **Vincent Debit Card- MasterCard-branded physical reloadable debit card.**
 - POS purchases can be made in person and online wherever Mastercard is accepted.
 - ATM Cash withdrawals and cash advances at supporting merchant locations.
 - Payments and transfers are executed instantaneously.
 - The Mastercard brand provides security and flexibility.



Vincent Smart Payments



Vincent Payment Types and Descriptions

- **Smart Payment- Digital Payment options.** Instead of the payee receiving their money on a physical card, the payee will receive their choice of either an email or a text message containing a secure link. The payee will click on the secure link to accept the payment and choose how the payment will be delivered.
- **Delivery options include:**
 - **ACH to the payee's bank account**
 - Requires the payee to enter their account and routing numbers for their bank account. This information is used one time and not stored.
 - **Push to a payee's debit card**
 - Requires the payee to enter their debit card information. This information is used one time and not stored.
 - **Virtual debit card**
 - No extra information required. Must be added to virtual wallets or payment apps.
 - With virtual wallets, the payee can simply touch their phone to the card payment terminal.

Benefits of SMART Payments for Payees and Payers

Increased security - no physical cards to be lost or stolen.

Increased security – payment(s) are completed once the payee makes their payment selection.

Department savings – No need to purchase physical cards.

Time savings - by reducing administrative burden associated with managing physical card inventory

Increased payee options – more choices of payment preference.

Payee savings – fund access no longer depends on using fee-heavy ATM networks.



Vincent User Roles

- System User Responsibilities & Expectations
- Role Definitions
- System User capabilities (viewing, allowable transactions, report access)

responsible
data creation



responsible
data impacts



responsible
data use



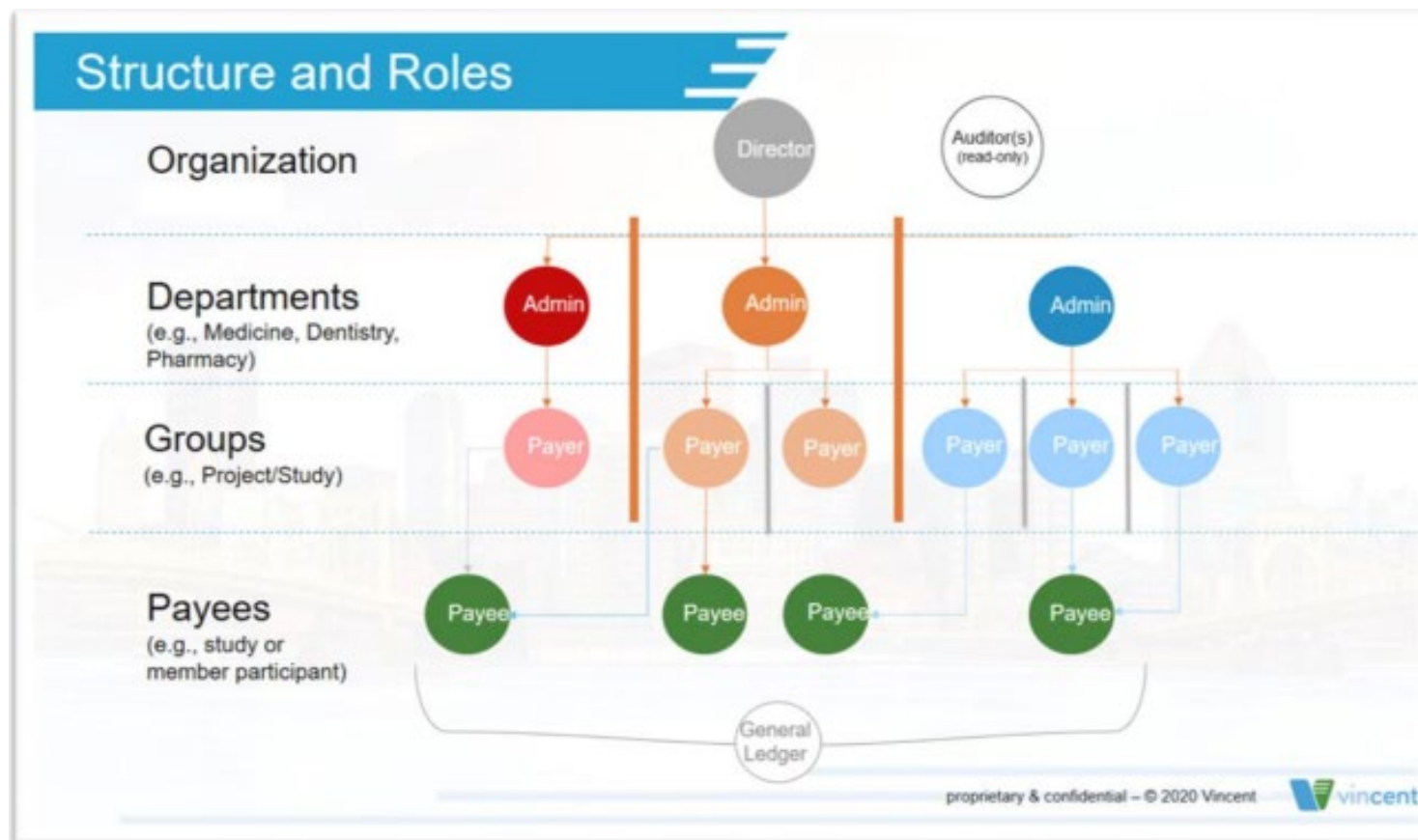
System User Responsibilities & Expectations

- System users must complete the required Vincent training modules prior to being granted access to the application.
- System users must read, understand and adhere to their organization's policies regarding computing, information and data privacy.
- The Vincent application must be utilized for its approved purpose, and not for personal use.
- Users must comply with all applicable laws and regulations regarding payee (participant) data privacy.
- System users are prohibited from initiating payments to themselves.
- ***Note: Improper use of the Vincent payment system or disclosure of confidential information may result in the deactivation of the system user profile and/or departmental disciplinary action.***

Vincent Role Descriptions & Capabilities

- **Payer-** Capabilities exist at the group level. Creates and manages within **their group(s)** and makes payments to payees in **their group(s)**.
- **Administrator-** Capabilities exist at the department level. Creates groups and payers within **their department(s)**.
- **Director-** Capabilities exist at the highest organizational level.

Vincent Structure & Roles



Know your Subject “KYS”

- Primary contact information requirement (What, Why, How, Where is it stored)
- Social Security Number Collection (Importance, Requirement?)
- IRS Back-up Withholding
- Back-up withholding conversation with research subjects (How, When, Why?)



Know your Subject “KYS”

Required Primary contact Information:

- **What:** Name, DOB, phone number, permanent mailing address and email address. (The IRS strongly recommends that a social security number is **requested of each payee, but the payee is not required to disclose this information**).
- **How:** Payer is required to input and/or confirm all relevant information (for existing members) with the participant **every time** before initiating payment. If there is a discrepancy or change of information, the payer must make the necessary corrections to the member profile.
- **Purpose:** Tracking of participant payments for each research subject. Used for federal tax reporting and preparation of a 1099-Misc forms.
- **Where is it stored:** The Vincent payment system is considered a secured system, which is available only to those individuals within Pitt/UPMC network. The primary contact information will be used for no purpose other than to track payments during a given year. Members of research teams will not keep this information in their files outside of Vincent. As with all participants, if a Pitt employee participates in research studies, only the last 4 digits their social security number will be visible in the system, along with their name and DOB. This process ensures that Pitt is following all the current federal tax regulations, as well as current best practices to protect the security of participant's SS#.

Know your Subject “KYS”

Social Security Number Collection (Importance, Requirement?)

- The IRS requires that a Social Security number is **requested** from the participants but is **not required**.

Payee provides Social Security number: The individual will receive the full amount of every payment and only receive a **1099 form** if they earn \$2,000+ from the University in the calendar year from all sources.

Payee does not provide Social Security number: The IRS requires that 24% of the payment be sent by the University to the IRS for **backup withholding**. Thus, the participant would receive only 76% of the expected payment. When this backup withholding occurs, the University is **required to issue a 1099 form** regardless of the amount of compensation earned during the year.

Compensation Taxation Requirements

- Does the IRS deem research payments as reportable compensation?
- Who should address tax related questions?
- W-9 (importance, requirement?, sensitive information storage)



Department of the Treasury
Internal Revenue Service

Compensation Taxation Requirements

- Does the IRS deem research payments as reportable compensation?
- Tax Related Questions- Contact your tax advisor

Yes, the Internal Revenue Service (IRS) considers payments to research subjects as **taxable income**. Taxpayers must report all income from any source and any country unless it is explicitly exempt under the U.S. tax code. There may be taxable income from certain transactions even if no money changes hands. Generally, the IRS considers all income received in the form of money, property or services to be taxable unless the law specifically provides an exemption.

COMPENSATION



Compensation Taxation Requirements

W-9 (Importance, Requirement? Sensitive Information Storage)

When research participants are compensated for participating in research studies, the compensation process often involves collecting high-risk, personally identifiable data from the participant for tax reporting purposes and the data is directly input in Vincent. The data collected may include information classified as high risk such as social security number and date of birth.

- **Why should payers collect the W9?** A W9 is a legal document that provides a subject's legal name, taxpayer identification, and confirms the subject's US tax status/citizenship. While it is not required, it is strongly recommended as it ensures accurate tax reporting, regulatory compliance and reduces the financial risk to the University.
- *We are aware of the sensitivity of many research studies and understand that due to confidentiality and privacy concerns, it may not be appropriate or possible to obtain a W9 in certain circumstances.*
- **Where to Store the document:** While it is acceptable to store the social security number and date of birth in the Vincent application, storing these items outside of Vincent must only be done in compliance with the **University's Data Classification Matrix**.

<https://www.technology.pitt.edu/security/data-classification-matrix>

Creating a Single Member Profile

- How to create a single member profile
- Impact of creating a “duplicate” member profile
- Guardian member profile

DATA ENTRY



Creating a Single Member Profile (User Tips)

How to create a single member profile

- From the Members tab, select **+Add Member**. *“Not search members by first and last name, see below.”*.



Search for members by first or last name

- After selecting **+Add Member**, enter user information to determine if they are currently in the system by entering at least their last name. The more information you enter, the more possibilities that will get filtered out. The last name is required and must be entered. To narrow down the search you can also enter date of birth or social security number.
- **Next** – This button will be grayed out and not selectable until the Last Name field at minimum is filled in. Once this button is clicked the screen will change to display the search results. *Important: If there are no existing Members that meet the search criteria then the screen below will display a notification banner on the top that states, “No Duplicate Members Found”.*

Creating a Single Member Profile

If there are no existing Members that meet the search criteria, then the screen below will populate.

No Duplicate Members Found

Add a Member

Member Information

First Name

Middle Initial (Optional)

Last Name

Suffix (Optional)

Email (Optional)

Type the email you use for correspondence here

Roles

If there are existing Members that meet the search criteria, then the screen below will populate

Add a Member

1 Identity 2 Department 3 Group

4 Members Found

Select Member to view and update their information

Another Person B Doe PhD Payee	DOB: 01/15/2007	6425 Penn Avenue Apt 2 Pittsburgh, PA 15206	>
Jane A Doe II Payee	DOB: 10/15/2006 SSN: ***-**-6789	6425 Penn Avenue Apt 1 Pittsburgh, PA 15206	>
John B Doe PhD Payee	DOB: 01/15/2006 SSN: ***-**-6789	6425 Penn Avenue Apt 2 Pittsburgh, PA 15206	>
Person A Doe II Payee	DOB: 10/15/2007 SSN: ***-**-6789	6425 Penn Avenue Apt 1 Pittsburgh, PA 15206	>

Impact of creating a “duplicate” single member profile

It is prohibited to have **multiple payee profiles** for the same person in Vincent as well as in the University’s GL system. This creates additional work for the payment processing team to be able to accurately report earnings to the IRS, as well as generate and mail 1099's at the end of the year. It also places the University at risk for noncompliance with IRS regulations.

☐ VOID ☐ CORRECTED					
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115	Miscellaneous Information Copy 1 For State Tax Department	
		\$	Form 1099-MISC		
		2 Royalties	(Rev. January 2022)		
		\$	For calendar year 20 ____		
		3 Other income	4 Federal income tax withheld		
		\$	\$		
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments		
		\$	\$		
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale ☐	8 Substitute payments in lieu of dividends or interest		
		\$	\$		
		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney		
		\$	\$		
		11 Fish purchased for resale	12 Section 409A deferrals		
		\$	\$		
		13 FATCA filing requirement ☐	14 Excess golden parachute payments		
		\$	\$		
Account number (see instructions)		16 State tax withheld	17 State/Payer's state no.	18 State income	
		\$	\$	\$	
		\$	\$	\$	

Form **1099-MISC** (Rev. 1-2022) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

Guardian Profile



When the **payee is under the age of 13**, a **parent/guardian over the age of 18 must be added to the minor's profile**. The guardian must have the first name, last name, date of birth, gender, and address fields completed.

- When paying a minor, it is mandatory to use their SS# and **not** their parent/guardians SS#. **Using a parent/guardian SS# to pay a minor places the University at risk of incompliance with IRS regulations.**
- When a minor member has the payee role selected, the screen expands so the payee's address, phone number, SS# (**minor's**) date of birth and gender can be entered. **There is a selectable parent/guardian field that should be added to the payee profile at this time.**
- When a parent/guardian is added to the profile, their information will be the information that the payment/card will be registered under. The payment is made to the minor and reported to the IRS under the minor payee, but the parent/guardian controls the funds and makes the decisions on spending them.

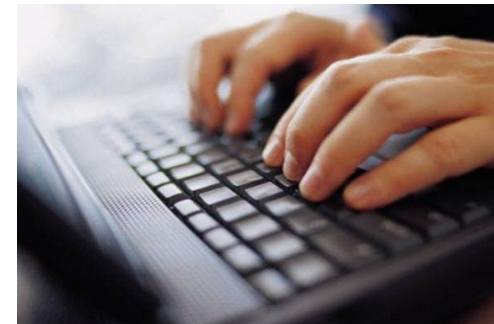
Vincent Payment Transaction Flow Chart

- What is the automated Vincent transaction file process?
- Daily Vincent transaction reconciliation process.
- Importation of the 1099 Payee Detail File .
- New Supplier creation in Prism.
- University of Pittsburgh's obligation to the IRS to properly record keep all compensation related payments for future taxation reporting.



How Payments Are Recorded on University's General Ledger

- Research Administrators enter the study subject's information in their member profile.
- The researcher makes the payment to the study subject.
- The Vincent system exports this information onto a newly created Payee 1099 Detail file at the end of every business day. The file contains the relevant data for every subject paid during that day.
- Vincent electronically sends the file to the University's SFTP (Secure File Transfer Portal) directory.
- An Oracle (Prism) process (FAPU007) runs every weekday morning at 7:50 am to pick up this file and import into Prism for supplier creation.
- Payment Processing receives an email notification listing all rejections upon import that must be corrected. Some examples are duplicate names, non-matching SS#, etc.
- Once rejections are corrected, Payment Processing runs the same process manually to import remaining subjects as suppliers.



How Payments Are Recorded on University's General Ledger Cont.

- The Payment Processing staff runs multiple consecutive import processes to create suppliers, their addresses (site code) and transaction amounts in Prism. Information is imported directly from the 1099 Payee Detail file exported by Vincent.
- The last import is an Open Payables import that creates a batch of invoices. The transaction number in Vincent is imported into Prism as the “invoice” number. This process records the transaction number and amount on the general ledger.
- Once all transactions are confirmed, imported and validated; Payment Processing notifies Pitt IT of all invoices that require tax withholding to be added to the transaction. Pitt IT does this step manually.
- Lastly, Pitt IT runs a Payment Process of the created invoice batch that records the payments for 1099 reporting.
- 1099-Misc forms are generated from Prism at the end of the calendar year for all payee compensation that had taxes withheld as well as those who were paid over the federal mandated dollar amount for a calendar year.



Unallowable Payment Types in Vincent

- Payment for services rendered and/or goods
- Payment to foreign nationals
- Honorariums, awards, prizes, and gifts
- Employee payments of any kind (unless participating in research)
 - **Certain employee payments should be completed via Concur***
- Scholarships, fellowships, internships, financial aid, stipends, grants (or any other contributions to support scholarly or education research or training including, but not limited to, tuition, living costs, supplemental payments, and other incidental expenses).



Paying Foreign Nationals For Research Participation

What demographic of people can receive payments via Vincent?

- As a rule, Pitt's Vincent application should **not** be used to make payments to foreign national individuals for participation in research studies.
- If a participant is a U.S. citizen or a permanent resident alien ("green card" holder) then we **can** apply the appropriate tax withholding and reporting rules and **can** process the payment through Pitt's Vincent system.



Paying Foreign Nationals For Research Participation

Why is the Vincent application not a viable payment option for Foreign National individuals?

- “To reduce the occurrence of double taxation for foreign nationals (taxed in U.S. and possibly taxed in their home country), the U.S. government has negotiated individual tax treaties with many countries. The Vincent application does not have the system capabilities to calculate and apply the various taxation implications set by the international treaties.”
- The proper classification of the payment type that is required for a foreign national individual(s) cannot be executed via the Vincent application.

<http://cfo.pitt.edu/pexpress/payments/foreignNationals.php>
payrollforeigntax@cfo.pitt.edu

Questions?

- Visit our website:
- Pittvincentaccess@pitt.edu

Introducing

Pitt's Vincent Payment Solution





Vincent has unique features and functionality that continue to allow for the issuance of anonymous, reloadable, MasterCard-branded, stored value cards and offers a flexible methodology to execute payments to individuals outside of the traditional Accounts Payable vendor structure. Payments of compensation and certain expense reimbursements are made in a controlled yet flexible, auditable environment with complete accounting to General Ledger, while maintaining appropriate controls and streamlining accounting and reporting. Vincent balances centralized accounting and audit controls with decentralized operations.

Instructions

- Vincent Slide Show
- Vincent User Access Form
- Vincent Group Set-up Form
- Vincent 1.5 User Guide
- Vincent Imports Training

Resources

- Human Research Protection Office (HRPO)
- Payment Processing
- Adobe Digital Signature Information
- IRS Form W-9
- Order Brochures and Card Sleeves
- University of Pittsburgh Policies and Guidelines (coming soon)
- Stored Value Card Policy
- Computing, Information, and Data (10-02-04, 10-02-05, and 10-02-06)
- General Ledger account structure
- HIPAA Policy

