

Human Research Participant Payments

ClinCard & More...

- ✓ Participant payment vs reimbursements
- ✓ ClinCard and other payment methods (check, cash, giftcards etc)
- ✓ SSN/TIN & IRS Tax Compliance
- ✓ Gross-up payments
 - 30% vs 42%
- ✓ Training

ClinCard & More...

- ✓ What is ClinCard
 - ✓ ClinCard is a prepaid debit card
 - ✓ Functions like any other prepaid debit/gift card
 - ✓ Participant information stored on secure Greenphire system
 - ✓ Allows for tracking total payments across all Emory studies
 - ✓ Aids in maintaining compliance with IRS regulations on payments to participants

What changed

- When entering a new participant in Clincard and/or making a payment, the system validates the SSN/TIN entered for the participant
 - Cost is \$1 per participant, charged to the study. Charge will only apply the first time the participant is validated in the system.
- If SSN/TIN or SSN/TIN and name combination comes back invalid and the study team proceeds, system will automatically withhold taxes at a 30% tax rate to ensure compliance. Payment to the participant will be net of taxes withheld. This is backup withholding of participant taxes.
 - **Note: backup withholding will start once a participant reaches a total of \$75 in cumulative payments**
- Tax form will be issued to anyone who has tax withholding regardless of total dollar amount.

ClinCard System – warning messages

Best practice is to look up participant and verify prior to entering a payment.

Note that it is necessary to update the participants' information, save, and then navigate back to the main search screen to ensure all validation messages have cleared



Welcome, Susan Clark
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REGISTER PARTICIPANT LOOK UP PARTICIPANT ADMIN REPORTS SUPPORT

Please Note: This participant's TIN and name combination is invalid according to your tax authority and back up withholding will apply. Please be sure a valid TIN and participant's legal name are provided in order to validate. [Click here](#) to update.

Look Up Participant

[Return to search results](#)

Tax Identification Number (TIN)

YTD Earnings are currently 75.00 USD

When YTD Earnings reach 0.00 USD, 30.0% may be withheld from payments for tax purposes until the study participant provides their TIN. Enter one below or continue without it.

Please enter the study participant's TIN or continue without one.

Tax Identification Number (TIN) *

First name *

WHY WERE CHANGES NECESSARY?

- Payments to Human Research Participants are considered taxable income to the participant regardless of dollar amount
- Emory is required to issue Form 1099-MISC to individuals who receive \$600 or more from all sources at Emory
- Emory is also required to withhold tax and report on payments to non-U.S. residents (in U.S. on visa) regardless of dollar amount.
- Internal Revenue Service has issued penalty notices to Emory for issuing 1099s with invalid Tax ID numbers (SSN/TIN) on the forms.
 - Majority of the penalties were related to ClinCard payments to research participants
 - Individuals who were included on non-compliant filings would require backup withholding in cases where information has not been corrected.

Example

Example using \$100 payment

	Valid SSN/ITIN Entered	Invalid Number & Taxes Withheld	Invalid Number & Payment Grossed up for Taxes
Original Payment Amount	\$ 100.00	\$ 100.00	\$ 100.00
Payment Amount entered into Clicard	\$ 100.00	\$ 100.00	\$ 142.86
Taxes Withheld in Clicard	\$ -	\$ 30.00	\$ 42.86
Net payment to Participant	\$ 100.00	\$ 70.00	\$ 100.00
Taxable Income to Participant	\$ 100.00	\$ 100.00	\$ 142.86
Amount charged to the Study	\$ 100.00	\$ 100.00	\$ 142.86

- Gross up calculation:
 - $\text{Payment Amount} / (1 - \text{tax rate}) = \text{Amount to be entered in Clicard for payment}$
 - Tax rate = 30%
 - Gross up rate = 42.86%
- Any taxes withheld in Clicard will be reported on Form 1099 to participant and can be claimed on the participant's individual income tax return as additional withholding

Participant Data

- Current Policy 7.28 already requires providing participant data, including SSN/TIN information for payments
- Entering of SSN/TIN is already a required field in participant data in ClinCard.
- Sensitive information in ClinCard is redacted and cannot be viewed by anyone on the site, outside of limited central tax and procurement personnel for tax filing purposes.
- Reported participant information does not include study details
- Provides increased centralized and secure tracking and reporting

Other payment methods

- All payments, whether cash, checks, or gift card, are considered the same as cash and all are taxable income regardless of amount.
- Use of a payment alternative must be requested and approved prior to use
- Reporting requirements are the same regardless of method
 - No central tracking of information
 - Study teams have to collect, secure, and provide the information for tax reporting. Participant information is collected via the Study participant Information Disclosure Form.
- Amounts paid via gift cards with no Tax ID collected/validated will need to be grossed up for taxes with tax charged to the study

Compliance Elements

Available:

- New Clincard Training in Brainier
- FAQs on RCRA website
- Forms for payment alternatives & participant information

In progress:

- Policy Revision for 7.28
- E-Clincard option

Resources

- **If you have any questions, please contact:**
- General ClinCard inquiries: emoryclincards@emory.edu.
- Tax-related questions: Susan Clark at sclar38@emory.edu.
- **Budget adjustment requests or other subject payment options:**
- For any industry-contracted studies, contact WISC at wisctrials@emory.edu.
- For federally funded studies, contact your School and Unit RAS.
- For all others, contact OCR at ocr_preaward@emory.edu.

Links to Forms, FAQs, Training, etc: see the Office of Research Compliance and Regulatory Affairs Website at: <https://rcra.emory.edu/program-effectiveness/human-research-payments.html>