

Gift Cards and Reimbursement

1. Is participant reimbursement handled the same way as participant stipend? Are travel reimbursements considered income and subject to taxes?
 - a. Reimbursement of expenses is generally not taxable to the recipient. However, documentation of the expenses (receipts, mileage notation) should be maintained by the study and then uploaded to ClinCard system for reimbursement purposes. The ClinCard system would still need to validate SSN/TIN for this process.
2. How does this policy apply to gift card (non-ClinCard) incentives?
 - a. Approval is now required for the use of alternative payment methods to ClinCard for payments over \$25. Submit a request using [this form](#). Upon approval, the study team will fill out [this form](#) to record and submit information for each participant receiving payment outside of ClinCard. Procurement will manually validate each SSN. If any of the participants do not have a SSN, the value of the card will need to be grossed up and the study will pay the associated withholding taxes.
 - b. Please note that gift cards are considered cash and under IRS rules, cash is not de minimis.
3. How is Emory tracking the \$600 threshold for payments via gift card and/or cash across different projects/PIs/departments?
 - a. Emory procurement and tax departments will review the study participant forms (reference to form above) with information from the ClinCard and payment request systems to verify the total amounts paid to a participant. The use of ClinCard is the preferred method to ensure accurate tracking of cumulative participant payments.
4. How should study teams report payments over \$100 outside of ClinCard?
 - a. Only stipends of less than \$25 are allowable for not using ClinCard. Any payment method for payments greater than that outside of ClinCard requires prior approval [using this form](#).
5. If participants aren't taxed until they hit \$600, what is the pertinence of the \$100 threshold? Is this total per year or for the entire study?
 - a. Any dollar amount given to a participant regardless of payment method (gift card, ClinCard, ACH, check) is taxable income to the participant.
 - i. If a study is paying an individual \$100 or more in a single payment or in multiple payments in one calendar year, then a W-9 Tax ID Form or equivalent is required to be collected.
 - ii. Once participants receive \$600 or more in total payments from Emory during the year, Emory is required to issue a Form 1099 to the participant.

6. For gift cards, is there a template provided through Emory for the documentation process?
 - a. [Approval is required for an exception to the use of ClinCard.](#)
 - i. [form for approval to use check, cash, gift card, etc.](#)
 - ii. [form for study teams to record information when using alternate forms of payment rather than ClinCard](#)

No SSN/TIN

1. Is there any updated IRB Consent Form language for participants to understand their information is being shared with the IRS? Do we need to have re-issue consent forms?
 - a. [Visit the IRB's Consent Toolkit page for guidance for informed consent documentation and process as well as templates for biomedical, socio-behavioral, verbal and assent forms, and "modular language" to plug in if applicable to your study.](#)
 - b. [No immediate reconsent is required.](#)
2. If the policy applies to all research participants receiving payment, are we required to retroactively collect SSN/TIN from past participants?
 - a. [No retroactive actions are required. The updated policy applies moving forward.](#)
3. Does the \$1 fee apply to each time you enter/validate the SSN/TIN into the system?
 - a. [The \\$1 fee is applied the first time a number is validated. If the number has already been validated, there is not an additional charge.](#)
4. Is the SSN/TIN field required regardless of amount compensated?
 - a. [Yes.](#)
5. If a SSN/TIN is required in ClinCard, but you cannot leave it blank, is there a standard number that we can use when a participant chooses not to share their SSN/TIN?
 - a. [The SSN/TIN is required in ClinCard. If a participant chooses not to provide the information, that does not relieve Emory's requirement to report the information to the IRS. Emory will still issue a tax form to the individual and to the IRS and tax will be deducted from the payment.](#)
 - i. [Add 9999xxxxx in place of a SSN/TIN. "X" can be random numbers.](#)
 - ii. [Some studies have the participant enter their own information into the ClinCard system vs having the staff enter if they are more comfortable sharing their SSN/TIN that way.](#)

iii. In addition to SSN/TIN, the system also crosschecks the individual's full name as it is maintained in the IRS database.

6. If the study participants are minor, do we still need to collect SSN information? Do we collect the minor's information or the parent/guardian's information?
- a. Any payments related to participation in a study or survey are considered taxable income to the participant regardless of whether the individual is a minor or adult and regardless of the payment method.

For the verification in the ClinCard (Greenphire) system, the name associated with the Clincard in the system must match to the SSN provided. The two options with this are:

- Enter the name of the minor participant and their SSN into the Greenphire system
- Enter the name of the Parent/guardian and their SSN into the Greenphire system

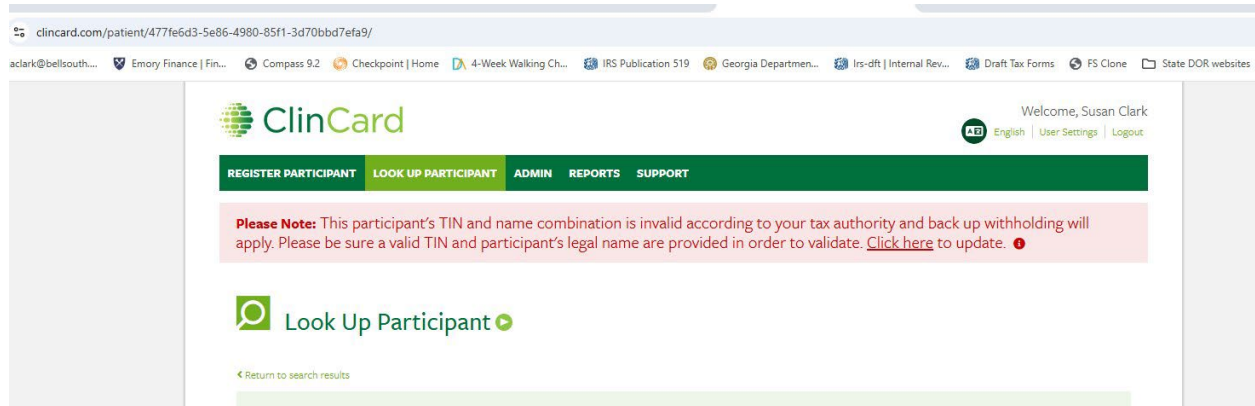
If the parent or guardian's information is used, any tax form that has to be issued will be in the name of the parent/guardian. All payments to a participant (or parent/guardian) from all sources/studies across Emory will be added together when determining tax reporting.

Note that if no SSN is provided (or SSN is not validated) for either minor or parent/guardian, then 30% will automatically be withheld from the payment

7. Can certain studies be granted an exemption from this SSN requirement? (i.e. those that compensate in lower amounts and/or those that are not done in person)
- a. No. This is in place for ClinCard to comply with IRS requirements. Exception requests for total payments less than \$25 can be submitted [here](#).
8. Will 30% only be deducted going forward to any new participants entered in the ClinCard system and not those who have already completed the study/closed participants?
- a. For payments already made in the system, there is no validation or withholding unless a new payment is entered. If the participant is to receive a payment but has not previously had their SSN successfully validated, the ClinCard system will do a validation and withhold taxes if the number comes back as invalid.
9. For check/direct deposit payments to participants, will 30% tax be deducted also?
- a. Yes, tax is deducted for check/direct deposit payments for all participants not providing a SSN/TIN regardless of citizenship status.

- b. For payments via check/direct deposit, participant information will be required as part of the payment approval process.
- 10. Is withholding tax and reporting on payments to non-US residents regardless of amount a new policy?
 - a. The policy for withholding tax and reporting on payments to non-US residents is not a new policy.
- 11. Our studies do not collect sensitive information and have made multiple assurances to our participants that they will remain anonymous. Collecting SSN/TIN may undermine trust among individuals and organizations and make it more difficult to reach some of the most underserved populations.
 - a. Sensitive data is not held in the ClinCard system, and decoupling of SSN and study details is done and still complies with IRS requirements. No study details are included in any payment information submitted to the IRS.
 - b. Exceptions may be possible for specific cases where participant anonymity is required for results and/or patient identity could be tied to sensitive health information, but these discussions should be held prior to the start of the study and payment amount is a factor. Please fill out [this form](#) to request use of an alternative payment method.
- 12. We rarely do internet-based data collection given our study populations. What do we do if electronic or in-person signatures aren't a viable option?
 - a. Signatures are not needed to issue a ClinCard.
- 13. Is it okay not to have a paper Study Participant Information Form?
 - a. If valid information gets entered in ClinCard, the study doesn't have to have a paper form.
- 14. Would Emory be responsible for tracking incentives paid and distributed by our sub-awardees
 - a. No, it would be the responsibility of the sub-awardees.
- 15. Can active participants update their profiles to add their SSNs after enrolling in the study?
 - a. SSNs can be added after enrolling in the study, but before payments are made. Only study admins will be able to log in to update this information, the participant will need to provide the information to the study administrator before payment is made.
- 16. If a coordinator mistypes the SSN and the 30% is deducted, can they go back and update it to return the total amount to the card?

- a. There will be a warning message that the number is invalid so at that time they can go back and verify what they have typed before proceeding. If they proceed, then 30% will be withheld. Amounts are not automatically returned to the card. The amount withheld will be reported on the 1099 along with the total participant payment. After making any participant information changes, the beset practice is to revisit the “Look Up Participant” section. If the SSN/TIN is invalid, the following message will appear.



When requesting a payment, if that participant's SSN/TIN has not yet been validated, you will see the following message.

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 *

17. What is the gross-up rate and how does this differ based on whether SSN/TIN are provided?

Where can this information be found?

- a. Tax rate = 30%; Gross-up rate = 42.86%
- b. If a valid SSN/TIN is not provided, Emory is required to do backup withholding on the payment. For payments via ClinCard, this withholding is done automatically. Grossing up a payment in ClinCard is **not required** and is at the discretion of the study team.
- c. In the case of gift card payments, the value of the card will need to be grossed up and the study will pay the associated withholding taxes if no participant SSN is provided. Details on grossing up and the process for making gift card payments are outlined in the ClinCard training.

18. What is the formula for grossing up taxable payments?

- a. Payment amount divided by 0.7 will get the amount that has to be entered into ClinCard to cover the taxes (Ex. \$100 payment divided by 0.7 = \$142.86. The system will then withhold \$42.86 and pay the participant \$100.) Note that the total income amount reported to the participant will be the grossed-up amount (\$142.86 in the example).
- b. Reach out to sclar38@emory.edu with questions.

19. One of our most recent payments shows a tax withholding amount on the audit tab. Their profile does not have the banner saying that the TIN/name combination is incongruent.

- a. We are working with the ClinCard vendor on ensuring the validation process is understandable and that results are communicated in real time. ***Please double check that all participant information in ClinCard appears the same as on their government issued IDs/IRS records.*** Best practice is to save a participant's information, leave the page, then come back to that participant in order to see if there is an invalid ID banner prior to making a payment. Once the information is validated, additional withholdings will not be taken out.
- b. If the system was not able to validate the participants' information at the time of payment, 30% is withheld and can't be repaid to the participant. The amount withheld will be reported on the participant's applicable issued tax form along with the total participant payment, and they can apply that against their overall tax liability when they file their tax return.

20. A large portion of our survey respondents are participating in our research on behalf of tax-exempt organizations. Who is responsible for tax obligations, the individual participant or their tax-exempt organization? How will this policy affect the tax-exempt status of these organizations?

- a. This depends on whether the participant that is completing the survey or the organization itself is receiving the funds. Tax ID needs to be provided either way for reporting purposes.

Additional Resources

- Forms
 - [form for approval to use cash, check, gift card etc.](#)
 - [form for study teams to record information when using alternate forms of payment rather than ClinCard](#)
- [IRB Consent Toolkit](#)
- Contacts
 - **General ClinCard inquiries**
 - emoryclincards@emory.edu
 - **Tax-related questions:** Susan Clark at sclar38@emory.edu.
 - **Budget adjustment requests or other subject payment options:**
 - Industry-contracted studies, contact WISC at wisc@emory.edu
 - Federally funded studies, contact your School and Unit RAS.
 - For all others, contact OCR at ocr_preaward@emory.edu