

Guidance on Compensating Research Participants:

THIS IS NOT UNIVERSITY POLICY, BUT RATHER GSRD INTERPRETATION OF ON-GOING UNIVERSITY PRACTICE FOR COMPENSATION TO RESEARCH PARTICIPANTS EITHER IN THE FORM OF CHECK, CASH, GIFT CARDS, OR PRIZES. FOR CLARIFICATION OF THE UNIVERSITY POLICY, PLEASE CONTACT THE VICE PRESIDENT FOR FINANCE AND BUSINESS AFFAIRS / CFO.

Taxable Income: Researchers may compensate participants in their research either by check, cash, gift card, or prizes. All such payments are taxable income to the research participant, and if the payment, gift card amount, or value of prize (or any combination of the three) is \$600 or more, the researcher is required to obtain identification information required by the Internal Revenue Service so that the University can issue Form 1099 to the research participant for the income. The \$600 limitation applies to all receipts during a calendar year, and therefore the researcher must obtain a statement from the research participant if they anticipate income from Winthrop during the calendar year to be \$600 or more from all sources of participation. If the participant is a Winthrop employee, the compensation will be included in the participant's W-2.

Researcher Responsibilities:

1. **Request for Review of Research Involving Human Subjects: When submitting your request for review to the IRB, you must include statements that convey the following information regarding the compensation:**
 - a. The amount of compensation, gift card, or value of prize to be awarded
 - b. What the participant must do in order to obtain the payment
 - c. How payment will be pro-rated for time in project, if the subject should elect to withdraw from the study after having completed a portion of the requirements. If compensation is a prize to be given by a drawing of participants, will the participant still qualify for the drawing if they withdraw from the study?
 - d. State the method of disbursement of payment – such as a drawing for gift cards or prizes, cash payments, checks etc.
 - e. Disclose on the informed consent:
 - i. Type of compensation or prize
 - ii. What the participant must do in order to qualify for the compensation/prize
 - iii. What happens if the participant decided to withdraw from the study
 - iv. Value of compensation or prize
 - v. That the compensation/ prize is taxable income to the participant
2. **Cumulative income of \$600 or more from Winthrop:** The Researcher must ask the participant if they anticipate receiving compensation from Winthrop University of \$600 or more during the calendar year. This compensation can be as an employee or participation in other research projects. If the participant does anticipate having income of \$600 or more, then the Researcher must contact the Accounting/Payroll Office to determine what information is necessary for tax reporting purposes.
3. **Receipt Documentation:** The Researcher must have the participant sign a “receipt document” acknowledging receipt of the compensation. This document must be retained by the researcher for audit purposes. The researcher may be required by the University Accounting Office to provide this documentation in order to account for payments made to the participants. If the participant identity is required to be kept confidential because of the nature of the research data, then the researcher must consult with the Accounting Office to determine how information should be reported for tax purposes. This should be done BEFORE the payments are made.

In cases where the participant will have income in excess of \$600, the researcher will have to provide certain identifying information, such as name and social security number. In these cases, the documentation provided to the Accounting Office should not identify the research project in which the subject was involved, or potentially not identify that the payment was for research participation. This must be coordinated with the

Accounting Office prior to payment, as to what information will be required.

4. **Unused Cash, Gift Cards, or other prizes:** The researcher must coordinate with the Accounting Office as to how any unused gift cards, cash, or other prizes will be handled and inventoried.

Institutional Review Board Responsibilities (IRB):

The IRB, in reviewing the proposed study, should ensure the following:

1. The amount of payment and the proposed method and timing of disbursement is neither coercive nor presents undue influence for participation in the study.
2. All participants are treated equally in qualifying for the compensation.
3. Researcher has a plan in place to protect the confidentiality of the subject and/or data.
4. Ensure that the researcher has a procedure in place to determine the amount of payment a participant will receive or qualify for if they should elect to withdraw from the study after it has begun.
5. The informed consent document contains information as to the amount of payment, what is required of the participant to receive payment or qualify for drawing, if payment will be prorated based upon percentage completion of study, and if payments will be made over a period of time or only at end study.
6. The informed consent document must state that the payment is taxable income to the participant.
7. Provide the researcher with a copy of this guidance statement with the approval or exemption letter.