# GUIDANCE FOR INCENTIVE PAYMENTS TO RESEARCH PARTICIPANTS

# Updated 8/2021

Incentive payments can be made to individuals who participate in human research studies in acknowledgement of their time and effort. Incentive payments can be monetary, such as cash/check, electronic gift cards, or in-kind incentives such as a book or t-shirt[[1]](#footnote-1). As part of its review, the IRB will assess any incentives in your research protocol with regard to impact on participants, such as coercion[[2]](#footnote-2), etc.

Regardless of the amount or type of incentive, such payments may represent taxable income to the recipient. The University has withholding and reporting responsibilities per Internal Revenue Service (IRS) regulations in connection with these payments.

This guidance is intended to govern all incentives given to research participants by providing guidance to the Primary Investigators (PIs) and administrators regarding classification of payment types, the process for receiving funds and distributing incentives, and tax reporting requirements.

Please note that IRB approval must first be in place for all human research studies at UD. A copy of the IRB approval must be submitted with any funds request or it will not be processed.

Procedures for payments to participants will vary based on the amount distributed. The University has divided these payments into three categories (for a table summarizing these categories and their respective requirements, see Appendix A).

1. **Micro payments – up to $10.00**

Due to their small amount, it is unlikely that these payments would trigger tax withholding and reporting for the University. Therefore, PIs are not required to obtain paperwork from participants for these payments. The PI, however, is still responsible for proper tracking of the funds spent. Participants must be informed that the incentive received for their participation is considered taxable income by the IRS and it is the research participant’s responsibility to report this income and you will need to include the language found in Appendix B to your consent.

To transfer research funds into your personal bank account so you can distribute payments to research subjects please follow the procedures to do this via Runway that are outlined in Appendix E. Once you have transferred funds into your personal bank account you can pay your subjects via cash/check or with an electronic gift card(s) that you have purchased.

Regardless of how you distribute the funds you need to have log record of each disbursement. All unused funds must be returned to the University within 5 days of study completion (see Research Incentive Reporting Requirements below).

1. **De Minimis payments - $10.01 - $100.00**

PIs will need to gather participant names and signatures for these payments. Additionally, the researcher must include information about the incentive on the informed consent document (Appendix C) and notify participants that they will need to sign for receipt of the incentive in your research incentive log record.

If the total amount of research incentives received by the participant are less than $600 for calendar year, then the researcher may distribute funds directly to the participant as described for micro-payments in the previous section and listed in Appendix E.

If receipt of the incentive is expected to bring their total research incentive income from UD to $600 or more in the calendar year, they are not eligible to receive payment from the researcher and must follow the procedures to have payments directly deposited into participant account. If you anticipate this occurring please contact the current IRB chair(s) to discuss this process.

Regardless of how you distribute the funds you need to have log record of each disbursement. All unused funds must be returned to the University within 5 days of study completion (see Research Incentive Reporting Requirements below).

1. **Standard payments –$100.01 and above**

If you plan to distribute individual payments greater than $100.01 please contact the current IRB chair(s) to discuss this process.

PIs will need to gather and submit documentation for these participants through Runaway prior to payment. Payments will be processed through Runway and a check sent directly to the research subject. Additionally, the researcher must include information about the incentive on the informed consent document (Appendix D). Researchers will also need to maintain a record of each disbursement. This process will involve adding the participant as a “Supplier” in Runway if they are not an employee already in Runway as a “Supplier” so that payment can be made directly to the participant.

**Research Incentive Reporting Requirements and Recommendations**

1. **Reporting Requirements**
	1. For all studies involving payments to participants, PI must maintain an “Incentive Payment Log.” A sample tracking log can be found on the IRB Forms and Documents page.
		1. Online survey tools such an Amazon’s Mechanical Turk (MTurk) do not require the participant’s name. However, a unique identifier (such as worker ID) is collected. A report showing worker ID, date of payment, and payment amount may act as a log of study participation.
	2. For all studies involving payments to participants over $10.01, PI must collect signatures from participants upon receipt of the incentive, either on the log or via a separate document.
	3. These records should be kept or 7 years for IRS reporting requirements.
	4. Logs may be subject to audit but will maintain participant confidentiality
2. **Unused Incentives**
	1. Unused funds should be return to the Office of the Bursar with correct FOAPAL # and deposited back into the fund account within 5 working days of the end of the study. Maintain the receipt from the Bursar with your study documents.
3. **Raffles**
	1. For raffles that involve a gift or item value amounts great than $10.01**,** PI must collect signatures from participants upon receipt of the incentive either on the log or via a separate document. The IRB raffle policy can be found [here](https://udayton.edu/research/resourcesforresearchers/compliance1/irb/forms/forms_new/IRB%20Guidance%20on%20Use%20of%20Drawings%203-2014.docx).
4. **Gift Cards**
	1. We strongly discourage the use of physical gift cards. When possible E-gift cards are preferred and should be purchased individually following each participant’s completion of the study.

# Appendix A: Table summarizing incentive categories and their respective requirements

|  |  |  |  |
| --- | --- | --- | --- |
|  | **$0.00 - $10.00** | **$10.01 - $100.00** | **$100.01+** |
| **Participants who expect to earn less than a combined $600 from UD research incentives this calendar year.** | Add verbiage from Appendix B to Consent FormFollow instructions for disbursement in Appendix E | Add verbiage from Appendix C to Consent FormFollow instructions for disbursement in Appendix E | Add verbiage from Appendix D to Consent Form.Contact IRB chair(s) prior to distribution of funds for guidance |
| **Participants expected to earn more than****$600 in income from UD research incentives this calendar year.** | Ad verbiage from Appendix C to Consent FormContact IRB chair(s) prior to distribution of funds for guidance | Add verbiage from Appendix C to Consent FormContact IRB chair(s) prior to distribution of funds for guidance | Add verbiage from Appendix D to Consent Form.Contact IRB chair(s) prior to distribution of funds for guidance |
| **Foreign Nationals** | Add verbiage from Appendix B to Consent FormFollow instructions for disbursement in Appendix E | Add verbiage from Appendix C to Consent FormContact IRB chair(s) prior to distribution of funds for guidance | Add verbiage from Appendix D to Consent Form.Contact IRB chair(s) prior to distribution of funds for guidance |

**Appendix B: Addendum to Informed Consent Templates used at UD (FOR INCENTIVES VALUED AT $10.00 OR LESS).**

All informed consent documents will include a notice that the incentive received for their participation is considered taxable income by the IRS and it is the research participant’s responsibility to report this income. The following verbiage will appear on all informed consent documents used in studies offering research incentive payments of $10.00 or less.

## (Include either section below only if offering incentives to participants)

**For use in studies where documentation of consent is not waived and the incentive is $10.00 or less:**

By signing below, I acknowledge that I understand that incentive payment I receive for participating in this research study is taxable income and it is my responsibility to report it to the IRS as required by federal law.

Name of Participant (please print) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Signature of Participant*** Date\_\_\_\_\_\_\_\_\_\_\_\_\_

# For use only in anonymous studies where documentation of consent is waived and the incentive is $10.00 or less:

By proceeding to the next page/screen, I acknowledge that I understand that incentive payment I receive for participating in this research study is taxable income and it is my responsibility to report it to the IRS as required by federal law.

**APPENDIX C: Addendum to Informed Consent Templates used at UD (FOR INCENTIVES VALUED BETWEEN $10.01 AND $100.00).**

All informed consent documents will include a notice that the incentive received for their participation is considered taxable income by the IRS and it is the research participant’s responsibility to report this income. The following verbiage will appear on all informed consent documents used in studies offering research incentive payments valued at more than

$10.01 and up to $100.00.

## (Include the section below only if offering incentives to participants)

**RESEARCH INCENTIVES ARE TAXABLE INCOME**

If you expect to or have earned more than $600 in research incentive income (for employees, via research incentives only) from the University of Dayton this calendar year, **you are not eligible to receive the incentive for participating in this study unless the researcher completes the proper documentation and submits it for processing. You may not receive the incentive directly from the researcher.**

By signing below, I acknowledge that I understand that incentive payment I receive for participating in this research study is taxable income and it is my responsibility to report it to the IRS as required by federal law.

Name of Participant (please print)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Signature of Participant*** Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**APPENDIX D: Addendum to Informed Consent Templates used at UD (FOR INCENTIVES VALUED AT $100.01 and higher).**

All informed consent documents (which are reviewed by the IRB for every study) will include a notice that the incentive received for their participation is considered taxable income by the IRS and it is the research participant’s responsibility to report this income. The following verbiage will appear on all informed consent documents used in studies offering research incentive payments $100.01 and above.

## (Include the section below only if offering incentives to participants)

**RESEARCH INCENTIVES ARE TAXABLE INCOME**

By signing below, I acknowledge that I understand that incentive payment I receive for participating in this research study is taxable income and it is my responsibility to report it to the IRS as required by federal law. I understand that the incentive payment will be mailed to the address I provide, or if I’m an employee, via normal payroll deposit procedures.

Name of Participant (please print) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Signature of Participant*** Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**APPENDIX E: Process for Distributing Funds (Less than $100.01 per participant)**

*When distributing individual amounts of less than $100 to participants (that will not exceed a total of $600 dollars for an individual participant in a calendar year), use the following process to transfer monies from your research account to your personal bank account so that you can distribute incentives (cash, e-gift cards) to your participants.*

1. The Primary Investigator (PI) should complete the Research Participant Incentive Payment (RPIP) form within Runway.
2. Process
3. Prior to submitting the form, the PI should consider whether they have spend authority against the organization. If PI does not having permission to draw against the necessary organization, either A) a [Chart Element Request](https://udayton.teamdynamix.com/TDClient/1868/Portal/Requests/ServiceDet?ID=34788) should be submitted to the Controller’s Office to add spend authority against an organization or B) PI should be informed of who they will need to assign the subsequent cart to for submission.
4. Process
	1. PI fills out RPIP form in Runway
		1. Person receiving funds (PI) entered as the Supplier
		2. Study reference #
		3. Time period of research project
		4. Number of expected participants/Payment amount per participant
		5. IRB approval letter/email
		6. Additional documentation (as required)
	2. PI will proceed to checkout and enter in the appropriate FOAPAL  (fund, organization, account, program, activity, location)
	3. PI will either assign the cart to a Requester with permissions on the supplied Fund, or submit the cart themselves for approval (permission dependent)
	4. Cart will become a Requisition and route through the Requisition Workflow
1. Please note that small refreshments or snacks provided to participants during a study are not considered incentives. Distribution of physical gift cards is strongly discouraged. [↑](#footnote-ref-1)
2. When conducting research with a vulnerable population or in international settings, you should take into consideration whether small gifts or incentives have greater impact due to a particular population's culture or economic situation, and clarify this context in the protocol. [↑](#footnote-ref-2)