



# Compensation of Subjects

## ***Background***

The Institutional Review Board (IRB) must review and approve the methods used to recruit participants, including any compensation provided, to ensure that the study does not include language that may influence a potential participant's decision about participating in the research study.

First, it is not necessary to compensate participants who participate in research. However, paying research participants in exchange for their participation is a common and, in general, acceptable practice. Payment for participation should be just and fair (e.g., current market value) for the time and effort required of the participant to complete the study.

The Food and Drug Administration (FDA) requires prorating payments based on duration of participation in the research so that participants are able to receive compensation even if they do not complete the entire study. The FDA also indicates that payment to research participants should be considered an incentive to participate rather than a benefit. Therefore, the IRB does not consider compensation in their assessment of the risk benefit analysis for the proposed research, nor is payment allowed in the benefit section of the informed consent document.

## ***Requirements***

The IRB requires the amount of compensation provided to participants is described in the IRB application. The amount of compensation must also be communicated to participants during the consent process. Compensation may be listed in recruitment materials so long as it is not overly emphasized.

Proposals to the IRB regarding subject compensation should indicate and justify monetary and non-monetary compensation. A description and justification of non-payment, partial payment, or proration must also be included. Any amount paid as a bonus for completion is reasonable and not so large as to unduly induce participants to stay in the study when they would otherwise have withdrawn.

For projects that involve extra credit to students, an alternative form of extra credit must be provided that is equitable in terms of time and resources for students to complete if they choose not to participate in the proposed research project.

As noted above, compensation should not be described as a benefit to participants. If applicable, a clear description of how prorating will be handled must be included.

## ***IRS Reporting Requirements:***

Any payment for participation in a research study is considered taxable income and subject to IRS reporting requirements. If the payment for a research study or a combination of research studies is \$600 or more for all or **any** dollar amount for undocumented noncitizens in a calendar year (January to December), participants will receive the appropriate IRS Form for tax reporting purposes from



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the university. Please note, if the participant is an employee of UArizona, any compensation from a research study is considered taxable income.

It is the responsibility of the principal investigator to obtain names, social security numbers (SSN), addresses, and payment amounts, and include that information as an attachment to the check request for reimbursement of the participant pay. This information should be kept separately from the study documents and in a secure location. No other information about the study should appear with the reimbursement documentation.

If subject payments will be \$50 or less from the University of Arizona per payment, social security numbers are not required. However, regardless of amount, any subject payment will require the collection of enough identifiable information to support an audit trail of where the monies were sent.

If the research project is a confidential study, it is not necessary to identify the human participants by name or SSN. However, an NIH Certificate of Confidentiality (CoC) must be provided along with the check request, and the total payment to any individual participating in a confidential study must be less than \$600 in a calendar year (information obtained from Sponsored Projects).

If you have questions about tax reporting requirements, please visit the [UA Tax Services Webpage](#).

An appropriate statement should be added to the Informed Consent Form to reflect the identifiable subject information collected for tax reporting and financial compliance purposes. Please see the most current [consent template](#) for the HSPP approved payment language.

## ***Payment in Remote Participation:***

Below is a summary of best practices when paying subjects for their remote participation in research, and how to confirm/document the payment for UA Financial Services purposes.

### **From Operational Advances:**

#### **1. Payment via Gift Cards (electronic or plastic cards)**

For this method, researchers will need to obtain confirmation of payment from the subject. This could be obtained via an email, or via a Postage Paid Postcard sent with plastic cards that will need to be returned. Keep in mind many retail shops offer e-Cards, and the email used to send payment would be confirmation of receipt. Some even offer one step further and provide a report as to whether the card has been accepted or redeemed.

#### **2. Payment via phone apps (Venmo, PayPal, Zelle, etc.)**

For confirmation, most apps have a summary page, or some sort of monthly report sent to the user's email. A screenshot of the actual confirmed payment to include with the report would work, as well.



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## From Disbursement Voucher Process:

- 1. Payment via a check or ACH (dependent on the availability to provide banking information) to each subject**

Please note, this method includes the administrative process of obtaining SSN from each subject, regardless of payment amount, to create a Vendor # for each one.