BC 10.155 - PARTICIPANT PAYMENTS FOR SPONSORED AWARDS

I. POLICY:

Baystate Health (BH) is committed to ethically compensating participants in a way that recognizes their time and effort, while maintaining compliance with federal, state, and institutional regulations. This policy outlines the procedures for determining, administering, and documenting participant payments in order to uphold financial transparency and accountability.

II. PURPOSE:

This policy provides guidelines for managing sponsored award Participant payments at BH. The goal is to ensure that all payments are conducted ethically, in compliance with legal requirements, and in alignment with institutional policies. This policy covers payments related to all sponsored awards, including but not limited to:

- Research involving human subjects, subject to Institutional Review Board (IRB) oversight.
- Sponsored non-research activities, such as community service programs, educational outreach, and program evaluations.

III. SCOPE:

This policy applies to all grants and contracts that involve participant payments funded through sponsored awards, regardless of funding source or study location.

IV. DEFINITIONS:

Participant Payment: Compensation or reimbursement provided to individuals for their time, effort, or expenses related to participation in an activity.

Sponsored Award: Funds from extramural sources for the purpose of supporting public service, research, or educational functions at or by Baystate Health with a deliverable product or service and uses Baystate Health resources (personnel, facilities, equipment, etc.) regardless of whether or not an institutional signature is required by the sponsor. Funding organizations include all federal, state, county or local government agencies; foundations; non-profit organizations; private corporations; colleges and universities, and any other private or public group that awards grants to hospitals for the performance of a specific scope of work.

Sponsored Research Activity: A systematic investigation involving human subjects, intended to contribute to generalizable knowledge and subject to IRB oversight (per 45 CFR 46).

Sponsored Non-Research Activity: Activities that do not meet the federal definition of research, such as program evaluations, community outreach, or educational events.

V. PROCEDURE:

1. Eligibility for Participant Payments:

Eligibility for participant payments requires that, for sponsored research activities, payments are only provided to participants in studies that have received Institutional Review Board (IRB) approval. The IRB must review and approve the payment structure to ensure it does not constitute undue influence or coercion on participants. For sponsored non-research activities, such as community outreach or educational outreach, payments may also be provided as long as they align with the objectives of the program. However, participant payments in sponsored non-research activities must be included in proposal and award budgets.

2. Payment Structure:

Compensation for research participants must be reasonable and appropriate to the time and effort required, with all payment details clearly disclosed in the informed consent document. The IRB will review these payment details as part of the study approval process. For sponsored non-research activities, compensation should align with institutional guidelines, reflecting the time or expenses incurred by participants without being excessive or creating undue influence. For both sponsored research and non-research activities, participants eligible for reimbursement for expenses (such as travel or meals) must provide proper documentation for such expenses. Investigators and Study Coordinators should review the compensation considerations for certain vulnerable populations in Appendix A when proposing compensation.

3. Payment Options:

The available options to departments for participant payments are outlined below. Please contact the Office of Research for additional details.

- *Greenphire ClinCards* - A reloadable prepaid debit card used to compensate participants. Payments are loaded onto the card and can be tracked electronically. (See Appendix B for ClinCard requirements)

- *Gift Cards* - Orders are available through approved vendors. Orders are limited to:
  - Generic Grocery or Gas Cards: accounts.payable@baystatehealth.org
  - Visa/Vendor Specific Gift Cards: purchasing@baystatehealth.org

4. Tax and Reporting Requirements:

Taxability and Tracking of Payments - U.S. Citizens and Resident Aliens:

The Internal Revenue Service (IRS) considers payments for participation in sponsored research and non-research activities to be taxable income to the recipient. Baystate Health is required to report to the IRS the Name, Address, and Taxpayer ID (Social Security Number) of any individual who receives $600 or more of these payments in any calendar year.

The nature of activities at Baystate makes it unlikely that an individual will reach or exceed this $600 threshold. As such, the following tiered structure will be used to determine the appropriate level of information collection for each research study:

Payment to Individual Subject(s)	**Tracking of Taxability Threshold**
$100 or less	None- Payment is considered de minimis.
$100.01-$599.99	Informal tracking at department level – If subject participates in more than one study, annual cumulative total may reach $600 and meet the requirements below.
$600 or greater	Accounts Payable will review the 1099 report via *Greenphire* and initiate communication with Participants noted to have met the taxable income threshold.

Reimbursement for actual expenses is not considered taxable.

Taxability and Tracking of Payments - Non-Resident Aliens:

The IRS rules differ for non-resident aliens. If a participant is known to be a nonresident alien, and the anticipated payment(s) to this person will exceed $100, the department should coordinate with Baystate Finance Accounts Payable (accounts.payable@baystatehealth.org) regarding additional paperwork and withholding processes.

Payment to Individual Subject(s)	**Tracking of Taxability Threshold**
$100 or less	None– Payment is considered de minimis.
$100.01 or greater	Contact Baystate Finance Accounts Payable for additional paperwork and processes.

Other Considerations:

Regardless of the taxability of payments, a list/log of payment recipients must be maintained for audit purposes, in order to show that funds were disbursed to participants. But we do not need personally identifying data for those participants.

VI. REGULATORY REFERENCES:

U.S. Food and Drug Administration (FDA) Code of Federal Regulations Title 21, Part 50 - Protection of Human Subjects (other parts, e.g., parts 56, 312 and 812, also apply)

U.S. Department of Health and Human Services (DHHS) Code of Federal Regulations Title 45, Part 46 - Protection of Human Subjects

DHHS's Office for Human Research Protections (OHRP) FAQs on informed consent

IRS Miscellaneous Income

APPROVAL:

		Date:
Approved:	Policy Management Committee	2/18/2025
Policy Owner: (department name)	Office of Research	
Originating Author/Title:	Shannon Chism, Senior Director, Office of Research	
Reviewers	Amy MacEachern, Director, Accounts Payable	
Replaces:	Sponsored Program Administration Participant Stipend Payment	
Original Effective Date:		NEW
Review Dates: (no revisions)		
Revision Dates:		

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APPENDIX A:
GUIDANCE ON COMPENSATION

Vulnerable Populations:

Below are some general guidelines for and examples of compensation considerations for certain vulnerable populations, as well as examples of forms or methods of compensation that should be avoided.

Minors:

In the U.S. "minor" typically refers to youth under the age of 18, but the age at which youth can legally provide consent does vary across jurisdictions. It is acceptable to compensate youth (and/or their parents) for their participation. When conducting research and non-research activities with minors, you should consider the following:

- Because parents have the authority to grant permission for their children to participate in research and non-research activities, compensation may entice a parent to allow their child to participate against the parent's better judgment, and/or pressure their child to participate in the activities. Often, researchers and program managers can avoid undue influence of and by the parents by reimbursing them for expenses associated with their child's research (e.g., transportation to the lab) and offering the child a token of appreciation at the end of the study or activity.
- Compensation must be appropriate for the age and/or developmental stage, and context of the study. For example, a small toy may be appropriate for a young child, while a gift card may be more appropriate for a teenager.
- Consideration of allergies, health hazards, and food handling requirements must be made when offering candy or other forms of food.
- Youth is particularly susceptible to peer pressure. Researchers and Program Managers should offer of compensation so that peer pressure to participate or "get what others are getting" is minimized.

Prisoners:

The terms of any individuals' incarceration and/or the site of their incarceration may restrict the amount, form, and method of compensation that is permissible. Please check with the relevant penal institution/authorities about restrictions on compensation prior to developing a protocol and plan for compensation. Additionally, federal regulations recognize that prisoners experience constraints that may affect their ability to make a truly voluntary decision about participation in research or non-research activities and implore IRBs to ensure proposed research is not coercive. The following must be considered when proposing compensation for prisoners:

- The amount and method of compensation for participation must be made with consideration of the payment structure within the facility.
- When possible, the offer of compensation should be conveyed privately to individuals to help promote the safety of participants.
- Participation in research cannot be induced with promises of additional institutional privileges.
- Low income and other socially/materially vulnerable populations

- Creating opportunities for all members of society to participate in research is a matter of justice. As already discussed, however, compensation should not be so great that it obfuscates the true risks, costs, and benefits of participation, or entices participants to engage in activities to which they would be averse or would otherwise find objectionable. Compensation should be tailored to the resources and vulnerabilities of the population. The following considerations must be made.
- The method of compensation must be appropriate for the participants' circumstances, which could include no or limited access to email, bank accounts, particular retailers, etc. For example, a gift card to a grocery store serving the neighborhood where participants reside may be more appropriate than an Amazon gift card.
- When low-income status intersects with other material or social vulnerabilities, such as homelessness, chronic illness, or minority social status, special care must be given to simultaneously avoid either exploiting potential participants by virtue of under payment, or unduly influencing them by offering excessive compensation. Individuals or organizations who work with those populations may be able to provide guidance on what amount, form and method of compensation is appropriate.

<u>Undocumented Populations</u>:

Researchers who include individuals who lack legal status must be aware that the gathering of individually identifiable information and tracking the compensation may put these individuals at greater risk. These risks must be mitigated to the greatest extent possible, which may necessitate offering something other than monetary remuneration.

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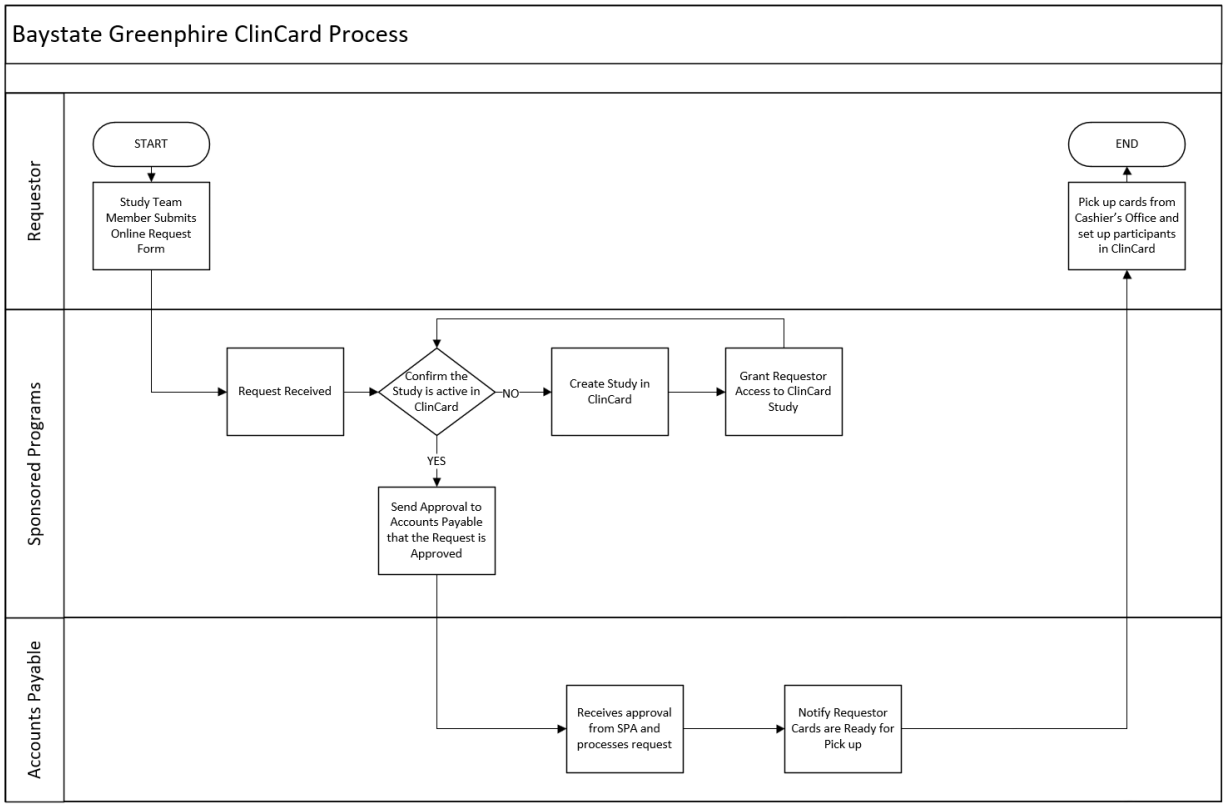
APPENDIX B:
USE OF GREENPHIRE CLINCARD FOR PARTICIPANT PAYMENTS

This section outlines the use of Greenphire ClinCards for disbursing participant payments in both research and non-research activities at Baystate. The use of ClinCards ensures a secure, convenient, and auditable method for compensating participants while maintaining compliance with institutional, legal, and grant requirements.

1. Process for Obtaining ClinCards:



2. Guidelines for the Usage of ClinCards:

- Participants must be informed in advance that payments will be disbursed via ClinCard, including how the card functions, any associated fees, and how they can access their funds.

- For both research and non-research activities, participants must provide necessary documentation (e.g., identification, taxpayer identification number) before receiving the ClinCard.

- ClinCards must be issued to participants after appropriate approvals from the project manager (for non-research) or the principal investigator (for research).

- If a card is lost or stolen, participants can request a replacement card through Greensphire directly by calling their toll-free phone number. The lost or stolen card will be de-activated and replaced with a new cared, and the remaining unspent balance on the old card will be transferred to the new card. Participants will be charged $7 for a replacement card.

- In no event should ClinCards be used by Study Coordinators or Investigators as a credit card for purchasing materials and supplies for the sponsored activity.

3. Payment Disbursement:

- Research Activities: Payments via ClinCard must align with the IRB-approved protocol, including the amount, frequency, and timing of payments. The protocol should clearly outline how participants will receive and use the ClinCard, and any special considerations for vulnerable populations must be addressed.

- Non-Research Activities: Payments must align with the approved program guidelines, ensuring they are reasonable and comply with grant or funding requirements. Non-research payments made via ClinCard should be tracked with the same level of documentation as other methods.

4. Tracking and Record Keeping:

The ClinCard system provides an electronic record of all payments made to participants, and for both research and non-research activities, this record must be maintained and available for audit. For research activities, payment logs from the ClinCard system must be cross-referenced with study participation records, such as consent forms and attendance logs, and retained in compliance with IRB and institutional requirements. For non-research activities, payment logs should be kept along with other program records, including attendance sheets or documentation of services rendered, and retained according to institutional policy.