***On behalf of the Office of Research Administration and the Finance Division.***

Beginning in January 2025, the Finance Division will implement changes to the ClinCard system to ensure accurate reporting of participant information.

**Background**

Under Emory’s Policy 7.28, *Payments to Human Research Study Participants*, payments to research participants must be monitored for appropriate IRS reporting and compliance. To comply with IRS regulations, our current Policy requires PIs or their designees to monitor and report cumulative payments to an individual participant of $300 or more to Payment Services.

The use of ClinCards is the preferred method of paying research study participants. When entering a new participant for payment, the ClinCard application requires entering the participant’s Social Security Number (SSN) or other Taxpayer Identification Number (TIN). This information is critical to ensure accurate filing of required Form 1099s to the IRS or to identify whether the individual is a non-US resident which would require additional tax withholding by Emory.

**Why are changes being made?**

We recently received several non-compliance notices from the IRS with significant fines and penalties levied. Upon review, we noticed that we obtained incorrect TIN numbers for a significant number of participants, resulting in 1099 and other tax filings containing inaccurate information. To address this ongoing issue, ensure IRS compliance, and mitigate Emory’s reputational risk, we are implementing a validation step when entering a social security number.

**What will change?**

Upon entering a participant for ClinCard payment, the system will perform a validation of the entered SSN or TIN against an IRS database. The validation step will be performed the first time a new participant is added to ClinCard and will cost $1 per validation, the cost of which will be charged to the study. If the information can’t be validated or no information has been entered, the system will provide a warning message to the user. If the user proceeds with invalid or incomplete information, the system will now assume that the user elected to move forward because the participant is a non-US Resident without a TIN or SSN and will withhold from the payment the participant’s tax liability based on the non-US Resident IRS rate of 30%, which will be submitted to the IRS on the participant’s behalf. This will result in the participant receiving less than the intended amount because it will be net of taxes. In these situations, the amount of the payment can be grossed up to ensure the participant (if not providing a valid SSN/TIN) receives the communicated amount but the study will be charged the gross up amount and the total amount will be considered taxable income to the participant.

These updates, as well as additional changes, will be made to the existing policy and could include lowering the threshold for reporting payments outside of ClinCard to Payment Services.

I**f you have any questions, please contact:**

* General ClinCard inquiries:  [emoryclincards@emory.edu](mailto:emoryclincards@emory.edu).
* Tax-related questions:  Susan Clark at [sclar38@emory.edu](mailto:sclar38@emory.edu).

**Budget adjustment requests or other subject payment options:**

* For any industry-contracted studies, contact WISC at [wisctrials@emory.edu](mailto:wisctrials@emory.edu).
* For federally funded studies, contact your [School and Unit RAS](https://ora.emory.edu/school_unit_research_admin/index.html).
* For all others, contact OCR at [ocr\_preaward@emory.edu](mailto:ocr_preaward@emory.edu).