

Taxable vs. Non-Taxable Payments

For 1099 reporting purposes and ClinCard Tax Management Functionality (for those enrolled), the ClinCard portal determines each payment made to be either 'taxable' or 'non-taxable'. It is important for each user to understand the difference regarding the payment types to ensure proper 1099 reporting and tax withholding.

Why is the difference important?

It is important to be vigilant when submitting a payment in ClinCard, to make sure that the payment type being submitted is accurate. This is important for two reasons:

1. A 1099-MISC form is required to be sent to any participant who has exceeded \$600 in taxable income during a clinical trial. It is important to ensure a participant is not being taxed on a payment that should not be considered 'income'. (i.e., mileage reimbursements/ reimbursements with receipts).
2. For any program utilizing Tax Management Withholding within ClinCard, you will want to ensure that money is not being withheld from a participant when it is not applicable. (i.e., mileage reimbursements/ reimbursements with receipts).

What is considered Taxable?

A payment will fall within the **'taxable'** category if it meets any of the following criteria:

- o It is a 'Milestone Payment'
- o It is a 'Miscellaneous Payment'
- o It is an 'Other Reimbursement' **WITHOUT** a receipt. If a receipt is received but unable to be uploaded, the box 'Receipt received but unable to be uploaded' should be checked to prevent the reimbursement from being recognized as taxable income.

Please note: When uploading a receipt, be sure to remove any information that may identify study participants.

Amount*

 USD

Notes*

Upload receipt

UPLOAD

Accepted file types are **pdf, jpg, or png**. Uploaded files should not contain information which would reveal subject identity if viewed by other users of the system.

Receipt received but unable to be uploaded

ADD REQUEST

CANCEL

What is considered Non-Taxable?

- A payment will fall within the **'non-taxable'** category if it meets any of the following criteria:
- It is a 'Drive/Mileage' Reimbursement
- It is an 'Other Reimbursement' **WITH** a receipt **or 'Receipt received but unable to be uploaded' box is checked.**
- **NOTE:** If this box is not checked, the reimbursement will be deemed as taxable income.