

# Participant Compensation

## Frameworks for Compensation

This table is specific to funders funding from the U.S. Other countries may have different options for compensation. This table is intended as a general information tool. Always seek professional legal and financial advice when evaluating these options for your specific circumstances.

Frameworks for Compensation				
	Honorarium	Stipend	Grant	Contract
<b>Frequency</b>	One-time	Recurring	One-time or multiple disbursements	One-time or multiple disbursements
<b>Purpose</b>	Recognition of one's general contribution	Expenses and training (not work performed)	Public benefit	Payment for work performed
<b>Restriction</b>	Often capped by organizations at \$599 due to IRS requirements to file a 1099	Few restrictions but not provided by many nonprofit organizations	Subject to many complex and eligibility requirements (covered in IRC Section 4945)	Flexible but requires legal supervision and is often subject to internal processes
<b>Recipients</b>	Individuals, companies, 501(c)s	Individuals only	Often 501(c)s but may be offered to individuals and companies with certain restrictions	Individuals, companies, 501(c)s
<b>Taxable for the recipient?</b>	Taxable income for the recipient (even if under \$600)	Usually taxable income for the recipient	Varies depending on the status of the recipient	Taxable income for the recipient
<b>Requires a written agreement?</b>	Does not require a written agreement	Does not require a written agreement	Type of contract (generally requires a written agreement by definition)	Generally requires a written agreement by definition